



# KUAISHOU

## Kuaishou Technology

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

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

# ANNUAL REPORT 2025



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# Corporate Information

## BOARD OF DIRECTORS

### Executive Directors

Mr. CHENG Yixiao (程一笑) (*Chairman of the Board and Chief Executive Officer*)  
Mr. SU Hua (宿華)

### Non-executive Directors

Mr. LI Zhaohui (李朝暉)  
Mr. ZHANG Fei (張斐)  
Mr. LIN Frank (林欣禾) (*alias LIN Frank Hurst*) (*resigned with effect from January 22, 2025*)  
Mr. WANG Huiwen (王慧文)

### Independent Non-executive Directors

Mr. HUANG Sidney Xuande (黃宣德)  
Mr. MA Yin (馬寅)  
Prof. XIAO Xing (肖星) (*resigned with effect from April 28, 2025*)  
Ms. LU Rong (盧蓉) (*appointed with effect from April 28, 2025*)

## AUDIT COMMITTEE

Mr. HUANG Sidney Xuande (黃宣德) (*Chairman*)  
Mr. MA Yin (馬寅)  
Prof. XIAO Xing (肖星) (*resigned with effect from April 28, 2025*)  
Ms. LU Rong (盧蓉) (*appointed with effect from April 28, 2025*)

## REMUNERATION COMMITTEE

Mr. HUANG Sidney Xuande (黃宣德) (*Chairman*)  
Mr. SU Hua (宿華)  
Mr. LI Zhaohui (李朝暉)  
Mr. MA Yin (馬寅)  
Prof. XIAO Xing (肖星) (*resigned with effect from April 28, 2025*)  
Ms. LU Rong (盧蓉) (*appointed with effect from April 28, 2025*)

## NOMINATION COMMITTEE

Mr. MA Yin (馬寅) (*Chairman*)  
Mr. CHENG Yixiao (程一笑)  
Mr. ZHANG Fei (張斐)  
Mr. HUANG Sidney Xuande (黃宣德)  
Prof. XIAO Xing (肖星) (*resigned with effect from April 28, 2025*)  
Ms. LU Rong (盧蓉) (*appointed with effect from April 28, 2025*)

## CORPORATE GOVERNANCE COMMITTEE

Mr. MA Yin (馬寅) (*Chairman*)  
Mr. HUANG Sidney Xuande (黃宣德)  
Prof. XIAO Xing (肖星) (*resigned with effect from April 28, 2025*)  
Ms. LU Rong (盧蓉) (*appointed with effect from April 28, 2025*)

## JOINT COMPANY SECRETARIES

Mr. ZHAO Huaxia Matthew (趙華夏)  
Ms. SO Ka Man (蘇嘉敏) (*resigned with effect from March 25, 2026*)  
Ms. YIP Hoi Lam (葉凱琳) (*appointed with effect from March 25, 2026*)

## AUTHORIZED REPRESENTATIVES

Mr. CHENG Yixiao (程一笑)  
Ms. SO Ka Man (蘇嘉敏) (*resigned with effect from March 25, 2026*)  
Ms. YIP Hoi Lam (葉凱琳) (*appointed with effect from March 25, 2026*)

## AUDITOR

**PricewaterhouseCoopers**  
*Certified Public Accountants*  
*Registered Public Interest Entity Auditor*  
22/F, Prince's Building  
Central  
Hong Kong

## Corporate Information

### REGISTERED OFFICE

PO Box 309, Uglan House  
Grand Cayman, KY1-1104  
Cayman Islands

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

No. 16, Xi'erqi West Street  
Haidian District  
Beijing  
the PRC

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suites 6901 & 6916, 69/F  
Two International Finance Centre  
8 Finance Street  
Central  
Hong Kong

### LEGAL ADVISORS

*As to Hong Kong law:*

#### **Freshfields**

55/F, One Island East, Taikoo Place  
Quarry Bay  
Hong Kong

*As to PRC law:*

#### **Haiwen & Partners**

20/F, Fortune Financial Center  
5 Dong San Huan Central Road, Chaoyang District  
Beijing 100020  
the PRC

*As to Cayman Islands law:*

#### **Maples and Calder (Hong Kong) LLP**

26th Floor, Central Plaza  
18 Harbour Road  
Wanchai  
Hong Kong

### COMPLIANCE ADVISOR

#### **Somerley Capital Limited**

20/F, China Building  
29 Queen's Road Central  
Hong Kong

### HONG KONG SHARE REGISTRAR

#### **Computershare Hong Kong Investor Services Limited**

Shops 1712-1716  
17th Floor, Hopewell Centre  
183 Queen's Road East, Wan Chai  
Hong Kong

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

#### **Maples Fund Services (Cayman) Limited**

PO Box 1093  
Boundary Hall, Cricket Square  
Grand Cayman, KY1-1102  
Cayman Islands

### PRINCIPAL BANK

#### **China Merchants Bank, Beijing Branch**

Zhonghai Caifu Center  
96 Taipingqiao Street  
Xicheng District  
Beijing  
the PRC

### STOCK CODE

HKD Counter Stock Code: 01024  
RMB Counter Stock Code: 81024

### COMPANY'S WEBSITE

[www.kuaishou.com](http://www.kuaishou.com)

# Financial Summary and Operation Highlights

## FINANCIAL SUMMARY

	Year Ended December 31,				
	2025	As a percentage of revenues	2024	As a percentage of revenues	Year-over- year change
	Amount	(RMB millions, except for percentages)	Amount	(RMB millions, except for percentages)	
Revenues	142,776	100.0	126,898	100.0	12.5%
Gross profit	78,549	55.0	69,292	54.6	13.4%
Operating profit	20,637	14.5	15,287	12.0	35.0%
Profit for the year	18,624	13.0	15,344	12.1	21.4%
<b>Non-IFRS Accounting Standards Measures:</b>					
Adjusted net profit <sup>(1)</sup> (unaudited)	20,647	14.5	17,716	14.0	16.5%
Adjusted EBITDA <sup>(2)</sup> (unaudited)	29,839	20.9	24,770	19.5	20.5%

	Unaudited Three Months Ended December 31,				
	2025	As a percentage of revenues	2024	As a percentage of revenues	Year-over- year change
	Amount	(RMB millions, except for percentages)	Amount	(RMB millions, except for percentages)	
Revenues	39,568	100.0	35,384	100.0	11.8%
Gross profit	21,819	55.1	19,123	54.0	14.1%
Operating profit	5,790	14.6	4,268	12.1	35.7%
Profit for the period	5,234	13.2	3,974	11.2	31.7%
<b>Non-IFRS Accounting Standards Measures:</b>					
Adjusted net profit <sup>(1)</sup>	5,463	13.8	4,701	13.3	16.2%
Adjusted EBITDA <sup>(2)</sup>	8,037	20.3	6,869	19.4	17.0%

### Notes:

<sup>(1)</sup> We define "adjusted net profit" as profit for the year or period adjusted by share-based compensation expenses and net fair value changes on investments.

<sup>(2)</sup> We define "adjusted EBITDA" as adjusted net profit for the year or period adjusted by income tax expenses, depreciation of property and equipment, depreciation of right-of-use assets, amortization of intangible assets, and finance expense/(income), net.

# Financial Summary and Operation Highlights

## FINANCIAL INFORMATION BY SEGMENT

	Year Ended December 31, 2025			Total
	Domestic	Overseas	Unallocated items <sup>(1)</sup>	
	<i>(RMB millions)</i>			
Revenues	137,702	5,074	—	142,776
Operating profit/(loss)	21,202	(76)	(489)	20,637
	Year Ended December 31, 2024			
	Domestic	Overseas	Unallocated items <sup>(1)</sup>	Total
	<i>(RMB millions)</i>			
Revenues	122,202	4,696	—	126,898
Operating profit/(loss)	16,355	(934)	(134)	15,287
	Year-over-year change			
	Domestic	Overseas	Unallocated items <sup>(1)</sup>	Total
	<i>(Percentages %)</i>			
Revenues	12.7	8.0	—	12.5
Operating profit/(loss)	29.6	(91.9)	264.9	35.0

## Financial Summary and Operation Highlights

	Unaudited Three Months Ended December 31, 2025			Total
	Domestic	Overseas	Unallocated items <sup>(1)</sup> (RMB millions)	
Revenues	38,263	1,305	—	39,568
Operating profit/(loss)	6,065	(59)	(216)	5,790

	Unaudited Three Months Ended December 31, 2024			Total
	Domestic	Overseas	Unallocated items <sup>(1)</sup> (RMB millions)	
Revenues	34,089	1,295	—	35,384
Operating profit/(loss)	4,361	(236)	143	4,268

	Year-over-year change			Total
	Domestic	Overseas	Unallocated items <sup>(1)</sup> (Percentages %)	
Revenues	12.2	0.8	—	11.8
Operating profit/(loss)	39.1	(75.0)	N/A	35.7

Note:

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

# Financial Summary and Operation Highlights

## OPERATING METRICS

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

	Year Ended December 31,	
	2025	2024
Average DAUs ( <i>in millions</i> )	410.2	399.4
Average MAUs ( <i>in millions</i> )	724.6	709.7
Average online marketing services revenue per DAU ( <i>in RMB</i> )	198.6	181.3
Total e-commerce GMV <sup>(1)</sup> ( <i>RMB in millions</i> )	1,598,070.7	1,389,582.3

	Three Months Ended December 31,	
	2025	2024
Average DAUs ( <i>in millions</i> )	407.7	401.0
Average MAUs ( <i>in millions</i> )	740.7	735.6
Average online marketing services revenue per DAU ( <i>in RMB</i> )	57.9	51.4
Total e-commerce GMV <sup>(1)</sup> ( <i>RMB in millions</i> )	521,823.2	462,093.9

Note:

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

# Financial Summary and Operation Highlights

## FIVE-YEAR FINANCIAL SUMMARY

### Condensed Consolidated Income Statements and Statements of Comprehensive (Loss)/Income

	Year Ended December 31,				2025
	2021	2022	2023	2024	
	<i>(RMB millions)</i>				
Revenues	81,082	94,183	113,470	126,898	<b>142,776</b>
Gross profit	34,030	42,131	57,391	69,292	<b>78,549</b>
(Loss)/profit before income tax	(79,102)	(12,531)	6,889	15,494	<b>20,472</b>
(Loss)/profit for the year	(78,077)	(13,689)	6,399	15,344	<b>18,624</b>
(Loss)/profit for the year attributable to equity holders of the Company	(78,074)	(13,690)	6,396	15,335	<b>18,617</b>
Total comprehensive (loss)/income for the year	(77,054)	(11,621)	6,761	15,599	<b>18,295</b>
Total comprehensive (loss)/income for the year attributable to equity holders of the Company	(77,051)	(11,622)	6,758	15,590	<b>18,288</b>

### Condensed Consolidated Balance Sheets

	As of December 31,				2025
	2021	2022	2023	2024	
	<i>(RMB millions)</i>				
<b>ASSETS</b>					
Non-current assets	39,504	43,449	45,935	77,004	<b>86,955</b>
Current assets	53,011	45,858	60,361	62,869	<b>77,549</b>
Total assets	<u>92,515</u>	<u>89,307</u>	<u>106,296</u>	<u>139,873</u>	<b><u>164,504</u></b>
<b>EQUITY</b>					
Total Equity	<u>45,096</u>	<u>39,838</u>	<u>49,074</u>	<u>62,024</u>	<b><u>79,584</u></b>
<b>LIABILITIES</b>					
Non-current liabilities	10,164	8,760	8,444	18,021	<b>17,385</b>
Current liabilities	37,255	40,709	48,778	59,828	<b>67,535</b>
Total liabilities	<u>47,419</u>	<u>49,469</u>	<u>57,222</u>	<u>77,849</u>	<b><u>84,920</u></b>
Total equity and liabilities	<u>92,515</u>	<u>89,307</u>	<u>106,296</u>	<u>139,873</u>	<b><u>164,504</u></b>

# Chairman's Statement

Dear Shareholders,

2025 marked a year of resolute implementation and fruitful progress for our AI strategy. We comprehensively advanced our AI strategy, and reinforced our “technology-driven, user-centric” business philosophy and our commitment to remaining deeply responsive to user needs. Through the year, we achieved robust growth in user scale, revenue, and profitability. We enhanced user engagement through enriched content offerings and AI-powered experiences. For the full year of 2025, our average DAUs reached 410 million, and total revenues increased by 12.5% year-over-year to RMB142.8 billion. Adjusted net profit rose by 16.5% year-over-year to RMB20.6 billion, reflecting continuous improvements in operational efficiency and the growing vitality of our ecosystem.

Our **Kling AI (可靈AI)** multimodal large video generation models significantly advanced its model capabilities and application scenarios, maintained a globally leading position throughout the year of 2025 while accelerating its commercialization trajectory. Meanwhile, by leveraging our large AI model capabilities, we further strengthened our content and business ecosystems, delivering substantial quality and efficiency gains across our organization. These AI-powered advancements enabled creators, merchants, and marketing partners to optimize workflows, scale their businesses, and unlock greater value.

Looking ahead, we remain steadfast in our mission of “connecting kindness through technology and creating long-term value”. We will stay committed to sustained investment in AI innovation, focusing on fostering a more dynamic, trust-based community for our users and creators. By further deepening AI integration and accelerating commercialization, we will drive high-quality, sustainable value creation for all our users, creators, partners, and stakeholders.

## BUSINESS REVIEW AND OUTLOOK

### Business Review

In the year of 2025, guided by our “technology-driven, user-centric” philosophy, we accelerated the execution of our AI strategy across all major business scenarios. Our multimodal large video generation models **Kling AI (可靈AI)** maintained a globally leading position, and we continued to leverage our advanced AI capabilities to empower Kuaishou's content and commercial ecosystems, driving high-quality growth across user scale, revenue and profitability.

In the fourth quarter of 2025, average DAUs on the Kuaishou App reached 407.7 million, demonstrating robust year-over-year growth. Total revenues increased by 11.8% year-over-year to RMB39.6 billion. Revenues from our core commercial business, including online marketing services and other services, primarily e-commerce, increased by 17.1% year-over-year. Adjusted net profit reached RMB5.5 billion in the fourth quarter of 2025. For the full year of 2025, average DAUs on the Kuaishou App reached 410.2 million, and total revenues increased by 12.5% year-over-year to RMB142.8 billion. Adjusted net profit for the full year increased by 16.5% year-over-year to RMB20.6 billion, with an adjusted net margin of 14.5%. As we expanded our AI investments, we continued to deliver steady improvements in the Group's overall profitability. Our AI capabilities have become a core engine driving Kuaishou's long-term growth.

# Chairman's Statement

## AI business

**Kling AI (可靈AI)** remained committed to its vision of empowering everyone to craft captivating stories with AI, aiming to become the premier, inclusive and efficient video-creation infrastructure for the AI era while driving continuous breakthroughs in model capabilities, product experience, and monetization. In the fourth quarter of 2025, **Kling AI (可靈AI)** accelerated the rollout of multiple model upgrades across several iterations. We launched Kling O1, the world's first unified multimodal video model that integrated multimodal text, video, image and subject inputs, consolidating all generation and editing tasks into a single, all-encompassing engine. Kling O1's unified architecture enables end-to-end content creation within one model system, allowing users to transition from generation to editing and refinement without switching tools. We also released the Kling 2.6 model, which incorporates "simultaneous audio-visual generation" capabilities. The model can generate a complete video containing natural voiceovers, action sound effects, and ambient audio in a single process. Kling 2.6 also introduced a motion control feature that enables users to replicate specific movements from uploaded videos or from the online motion library. By pairing this with a character reference image, users can generate character-specific videos with frame-level precision in both body movements and facial expressions.

In February 2026, we launched the **Kling AI (可靈AI)** 3.0 model series. Developed under an All-in-One product framework, Kling 3.0 model series supports full multimodal input and output, spanning text, images, audio and video, seamlessly integrating video understanding, generation and editing within a single, streamlined AI workflow. The models unify multiple tasks, including text-to-video, image-to-video and in-video editing, within a native multimodal architecture, enabling adherence to complex narrative logic, automated storyboarding and precise shot-level control while maintaining strong prompt adherence.

**Kling AI (可靈AI)**'s innovations in foundational models and product features have paved the way for widespread commercial applications across professional creative sectors, including marketing, e-commerce, film and television, short plays, animation and gaming. These capabilities have supported stronger adoption among professional creators and enterprise clients globally, accelerating its monetization. In the fourth quarter of 2025, **Kling AI (可靈AI)** achieved revenue of RMB340 million. Notably, in December 2025, **Kling AI (可靈AI)**'s monthly revenue exceeded USD20 million, implying an Annualized Revenue Run Rate (ARR) of USD240 million. At the same time, **Kling AI (可靈AI)**'s motion control feature gained significant traction across major global social media platforms, driving widespread discussion and distribution. This momentum broadened **Kling AI (可靈AI)**'s reach beyond professional creators to a broader mainstream user base.

## Chairman's Statement

In the fourth quarter of 2025, we continued to deepen the impact of large AI models to empower our content and commercial ecosystems while driving further quality and efficiency improvements throughout our organizational infrastructure. In terms of strengthening the foundation of our content ecosystem, we independently developed and open-sourced the multimodal large language model **Keye-671B** model, which has demonstrated strong capabilities in video comprehension. Meanwhile, we upgraded our short-video and livestreaming content understanding system and launched **TagNex**, our next-generation tagging system, which enables more accurate content understanding, leading to increased users' usage time and higher retention rates. In content recommendation, we iterated our end-to-end generative recommendation large model with the launch of **OneRec-V2**, continuously improving recommendation accuracy. For online marketing services, we further optimized our end-to-end generative recommendation technology. By deeply integrating multi-dimensional business data, we enhanced model performance and improved the precision of online marketing material recommendations. For intelligent bidding technology, we developed a bidding large model built on multi-scenario and multi-objective data. Together, our generative recommendation large models and intelligent bidding models drove roughly 5% growth in domestic online marketing services revenue in the fourth quarter of 2025. While reducing the cost of generating online marketing materials, AIGC technology also unlocked additional budgets from our marketing clients. In the fourth quarter of 2025, the total spending from online marketing services driven by AIGC marketing materials reached RMB4.0 billion.

For e-commerce business scenarios, during the fourth quarter of 2025, we further iterated our end-to-end generative retrieval architecture **OneSearch**. We introduced editable structured Semantic Identifier tailored to the e-commerce business, enhancing semantic understanding for mid-to-long-tail search queries. This drove a nearly 3% increase in search order volume in shopping mall for the fourth quarter of 2025. In addition, we expanded the applications of end-to-end generative recommendation technology from pan-shelf-based e-commerce scenarios to content-driven scenarios such as livestreaming rooms and short videos, propelling GMV growth in all e-commerce scenarios. For live streaming business scenarios, we further refined the **AI Universe (AI 万象)** gift customization feature to deliver greater interactivity, more dynamic presentations, and improved visual aesthetics, significantly increasing users' willingness to send virtual gifts. In terms of organizational efficiency improvement, our proprietary AI coding tool **CodeFlicker** has become a core intelligent development tool for R&D engineers in their daily work. Currently, over 40% of Kuaishou's new codes is generated by **CodeFlicker**.

Our AI businesses advancement is underpinned by our sustained investment and in-depth optimization in computing infrastructure. We have established a self-built data center in Ulanqab, Inner Mongolia, and are progressing steadily with the construction of a new computer center, which will further enhance the operational efficiency of our servers and bandwidth.

### User and content ecosystem

In the fourth quarter of 2025, average DAUs on the Kuaishou App reached 407.7 million and MAUs reached 740.7 million, while the average daily time spent per DAU on the Kuaishou App was 126.0 minutes. We are committed to building a vibrant community with distinctive Kuaishou characteristics, continuously strengthening high-quality user growth, differentiated premium content supply, traffic mechanism optimization and interactive scenario development to achieve healthy, sustainable expansion in both user base and platform traffic. To drive high-quality user growth, we refined user acquisition strategies across channels to continually optimize user segments and improve retention rates. We also leveraged AI technology to enhance push strategies, leading to a higher user open rate for the Kuaishou App. In addition, we introduced innovative user retention initiatives that significantly improved ROI.

## Chairman's Statement

Harnessing our established capabilities in content and trending operations, we supported the growth of benchmark creators like **Xinyu the Ostrich Lady (心雨鸵鸟)** and continued to cultivate high-quality content IPs with distinctive Kuaishou characteristics. Rural cultural and entertainment activities, exemplified by the **Village Gateway Mini Stage (村口小舞台)** empowered rural residents to move from viewers to active on-stage participants, featuring diverse content ranging from intangible cultural heritage performances to agricultural technology demonstrations. These initiatives not only enriched rural cultural life but also provided a new channel for promoting rural culture. We hosted the 6th Anniversary Concert for **Teens in Times (时代少年团)**, which garnered over 680 million live streamings views. Leveraging live streaming, interactive features and AI-powered creative content, we crafted a shared youthful memory that fosters a mutual bond between the fans and idols.

We optimized our traffic mix to increase traffic exposure for top-tier original content, fostering a virtuous cycle between content creation and consumption. In the fourth quarter of 2025, the number of high-quality content uploads increased by more than 15% year-over-year. To further develop engagement scenarios, we continued to innovate private messaging engagement features, driving a year-over-year increase of nearly 3 percentage points in the daily average penetration rate of private messages among users with mutual followers during the fourth quarter of 2025.

### Online marketing services

In the fourth quarter of 2025, revenue from online marketing services reached RMB23.6 billion, up 14.5% year-over-year. The accelerated integration and innovative application of AI across diverse online marketing services scenarios not only empowered our ecosystem partners but also created new growth momentum for our online marketing services business.

In the fourth quarter of 2025, within the lifestyle service sector, where clients primarily operate on a lead-based model, we helped clients reach users more efficiently and achieve higher user conversion rates by upgrading our private messaging products and optimizing our algorithms. At the same time, through continued expansion into more industries and client acquisition, we broadened our online marketing client base, driving incremental marketing placements. In addition, as lifestyle service-sector clients are predominantly small and medium-sized merchants, we leveraged AIGC tools to enhance their ability to produce marketing materials, driving further growth in online marketing spending.

In the fourth quarter of 2025, the content consumption sector, led by short plays, comic-style short plays and mini-games, along with the AI application sector, was a key revenue driver for our online marketing services. In the content consumption sector, short plays maintained solid growth momentum. By optimizing marketing materials exposure formats, we increased marketing spending in the short-play vertical. Meanwhile, with deep empowerment of AI technologies, comic-style short plays advanced rapidly. Through comprehensive support programs and the rollout of a comic-style short play AI agent, we further expanded high-quality and diverse content supply to capture emerging growth opportunities. Moreover, amid rising marketing budgets from clients across the AI application vertical, we effectively captured the marketing placement spending from AI application clients.

In the fourth quarter of 2025, for online marketing products, we continued to upgrade offerings, including our **Universal Auto X (UAX, 全自动投放)** placement solutions, AIGC marketing material solutions, livestream digital human solutions, and digital employee solutions. These enhancements reduced barriers to entry for marketing placement, improved clients' placement experience, and fueled further growth in online marketing spending. Specifically, in the fourth quarter of 2025, the penetration rate of our **UAX** placement solutions accounted for nearly 80% of the spending from non-e-commerce marketing services, with its penetration among active non-e-commerce marketing clients exceeding 90%.

## Chairman's Statement

For e-commerce marketing services, following our consolidation of e-commerce business and related online marketing services in late September 2025 to enhance traffic synergy, we established our closed-loop capabilities covering traffic, transaction, marketing conversion and merchant services. This initiative was designed to align our platform's overall revenue growth with merchant mix refinement, enabling e-commerce merchant's GMV per Mille (GPM) and Cost per Mille (CPM) for e-commerce marketing services to improve in tandem in the fourth quarter of 2025. In the first half of 2025, we completed the capability refinement of our omni-platform marketing solution. In the second half of 2025, we focused more on addressing differentiated scenario needs across diverse customer segments, effectively driving incremental GMV generated for e-commerce merchants across omni-domain scenarios and enhancing business stability. In the fourth quarter of 2025, our omni-platform marketing solutions accounted for a greater share of total spending from e-commerce marketing services, rising further to 75%. In addition, our fully managed auto-placement product combo for small-and medium-sized merchants gained broader adoption and recognition, resulting in a significant increase in spending by these customers. In the fourth quarter of 2025, by continuously optimizing our pan-shelf-based e-commerce scenarios, and strengthening the synergy across omni-domain supply and aligned distribution, our e-commerce marketing services revenue in pan-shelf-based scenarios increased rapidly.

### E-commerce

In the fourth quarter of 2025, our e-commerce GMV grew 12.9% year-over-year to RMB521.8 billion. Building on our systematic omni-domain operations strategy, we further integrated the pathway between public-domain traffic conversion and private-domain asset accumulation, supporting the merchants' stable, sustainable operational development across diverse scenarios. During the fourth quarter of 2025, we continued to empower merchants to expand their private domains and improve operational efficiency, broadening the variety of supply. As a result, the repeat-purchase frequency of active e-commerce users further increased year-over-year. Meanwhile, by strengthening the operations of our key product categories and deepening our understanding of core user needs, we drove continued growth in ARPPU in the fourth quarter of 2025.

In the fourth quarter of 2025, we leveraged the combined strengths of service providers, agencies and industrial zones to broaden our e-commerce supply pipeline. During the fourth quarter of 2025, both newly on-boarded merchants and newly on-boarded active merchants grew year-over-year and quarter-over-quarter, driving our active merchant base to another record high, up 7.3% year-over-year. Furthermore, in the fourth quarter of 2025, we launched the **Voyage Initiative (乘風計劃)**, focusing on in-depth partnerships with top-tier brands in diverse sectors. Through systematic resource empowerment, the initiative aimed to explore mutual growth opportunities for both the platform and the brands. At the end of December 2025, we began to gain preliminary benefits from our high-quality product and content supply, along with a more optimized merchant structure.

## Chairman's Statement

In the fourth quarter of 2025, in terms of our livestreaming scenario development, the **Pop-Up Follower Red Envelopes initiative (天降漲粉紅包)**, which was launched in the third quarter of 2025 to drive targeted follower growth, delivered meaningful results. By increasing the streaming frequency of streamers with over 10,000 followers, the program drove a 12.7% year-over-year increase in the number of average daily active streamers hosting live sessions with over 10,000 followers, further strengthening the virtuous cycle between follower growth and transaction performance. Through coordinated operations with agencies and leading KOL organizations, we expanded our KOL supply. To further empower KOLs, our **KOL Blockbuster Initiative (達人爆品計劃)** targeted on high-demand product categories, serves as an officially selected product pool trusted by both merchants and KOLs. It drives greater KOL participation in distribution and the penetration of KOLs within our distribution pool continued to rise, with the number of active KOLs more than doubling year-over-year. Supported by our platform-endorsed product offerings, mid-tier and small-and medium-sized KOLs were able to overcome product selection challenges and, with platform traffic support, achieve meaningful leaps in operational scale.

In the fourth quarter of 2025, our omni-domain operations ecosystem, including pan-shelf-based e-commerce and short videos, continued to demonstrate steady and resilient development. The contribution of pan-shelf-based e-commerce GMV to total e-commerce GMV remained broadly stable quarter-over-quarter. We continued to expand our supply scale, driving sustained year-over-year and quarter-over-quarter increases in average daily active merchants for pan-shelf-based e-commerce. **Super Links (超級鏈接)**, our official channel for platform-recommended products, reinforced its position as a core operational tool for shelf-based supply, achieving rapid growth during the fourth quarter of 2025. The **Super Links (超級鏈接)** penetration rate in shelf-based e-commerce product cards rose to 19.1%. We also encouraged merchants to expand omni-domain operations. By leveraging our marketing hosting tools, we guided merchants in content-driven scenarios to transition toward shelf-based operations, significantly increasing the penetration rate of active merchants using our marketing hosting tools quarter-over-quarter. During the fourth quarter of 2025, we further advanced our short-video e-commerce content supply, prioritizing refined merchant-centric operations. By continuously leveraging the synergy between short videos and live streaming, we enriched our high-quality content supply and optimized funnel efficiency. These efforts led to significant growth in short video e-commerce GMV, which continued to outpace overall e-commerce GMV growth.

In the fourth quarter of 2025, we deepened AI integration across e-commerce scenarios, empowering merchants to improve operational efficiency and drive their growth. The broader rollout of **OneRec, OneSearch** and other large model technologies across e-commerce scenarios continued to generate incremental business gains. In addition, powered by an e-commerce knowledge graph and leveraging large models' world knowledge and reasoning capabilities, we deepened our foundational understanding of products, videos and users. This enabled more precise long-term user-interest modeling, improved recommendation diversity and drove higher revisit and repeat purchases. E-commerce content generation capabilities also advanced during the fourth quarter of 2025. Features such as livestreaming highlights and AI-assisted content creation further strengthened merchants' cross-scenario operating capabilities. To improve operating efficiency, we launched an AI-powered order analysis feature during the fourth quarter of 2025, enabling merchants to identify abnormal orders more effectively and reduce pre-shipment refund rates.

### Live streaming

In the fourth quarter of 2025, live streaming revenue reached RMB9.7 billion. We remained focused on fostering a healthy live streaming ecosystem during the fourth quarter of 2025, orienting toward high-quality, value-driven content, and reinforcing the platform's community-centric value. For live streaming supply, we continued intensifying professional operations of our core competitive categories, including group live streaming and multi-host live streaming, while strengthening coordinated development across multiple categories. This enriched our live streaming content operations portfolio and drove sustained improvements on the supply side. Our **Grand Stage (直播大舞台)** further deepened integration between online and offline live streaming scenarios, supporting the incubation of distinctive streamers on our platform while boosting user engagement. On the product front, powered by **Kling AI (可靈AI)**'s video generation capabilities, our **AI Universe (AI萬象)** gift series with customizable special effects delivered further enhanced interactive experiences, dynamic motion rendering and improved visual aesthetics. As of the end of the fourth quarter of 2025, the number of cumulative **AI Universe (AI萬象)** gift creations exceeded 1 million. In addition, we expanded the application of AI capabilities in our live streaming rooms, empowering streamers with **AI Interaction Assistants (AI互動助手)** and **AI Digital Avatar Solutions (AI數字分身服務)** to improve streamers' service efficiency. In the fourth quarter of 2025, our "live streaming+" strategy broadened the boundaries of the live streaming ecosystem while also unlocking additional commercial value. Through refined operations, our **Ideal Housing (理想家)** and **Kwai Hire (快聘)** businesses delivered both quality enhancements and greater operational efficiency. In the fourth quarter of 2025, the average monthly number of **Ideal Housing (理想家)** paying clients increased by over 40.0% year-over-year.

### Overseas

In the fourth quarter of 2025, we remained firmly committed to our high-value growth strategy, supporting a virtuous cycle across our overseas business. Despite complex market dynamics, we achieved steady growth in overseas business. On the traffic front, while improving customer acquisition efficiency and optimizing our user growth structure, we reinforced community mindshare through signature content offerings, further expanding our core user base. Brazil, our key market for overseas development, maintained stable average DAUs and average daily time spent per DAU. For online marketing services, we captured the industry opportunity arising from global brands' expansion in Brazil, growing our client base across diverse industries. In addition, we upgraded our products and solutions and actively explored new content-driven marketing scenarios, including short plays, to improve client performance visibility and unlock new growth momentum, supporting our clients' long-term development. Our e-commerce business in Brazil achieved steady year-over-year growth in GMV and order volume in the fourth quarter of 2025. Supported by AIGC-driven improvements in e-commerce content quality and operational efficiency, and aided by more refined logistics cost management, our profitability improved significantly.

# Chairman's Statement

## Corporate social responsibility

Kuaishou remains firmly committed to its mission of “connecting good faith with technology and creating long-term values”, dedicated to building a warm, inclusive, and accessible digital community for everyone. Anchored by short videos and live streaming, we advance digital technologies to deeply empower social-development scenarios across employment, entrepreneurship and rural revitalization. By leveraging digital technologies, we enabled more individuals to experience greater fulfillment and well-being, thereby contributing to the development of a more vibrant and supportive society.

Our **Happy Lecture Hall (幸福大講堂)** project provides practical new media skills training for women, seniors, young entrepreneurs, people with disabilities and other groups. By the end of 2025, the program expanded to cover over 50 counties and cities nationwide, helping nearly 2 million people develop “short video + live streaming” digital skills. We also launched the **Future Enlightenment Classroom (啟智未來學堂)** project, supporting rural education across multiple regions by donating digital classroom facilities, offering AI courses, hosting technology-focused summer camps and other initiatives. These efforts have strengthened teaching infrastructure in rural schools across diverse regions, creating greater opportunities for teachers and students to access digital learning and explore cutting-edge technologies.

## Proposed distribution of 2025 Final Dividend

The Board is pleased to announce that it has recommended the payment of a final dividend of HK\$0.69 per Share for the year ended December 31, 2025, amounting to approximately HK\$3.0 billion in total. Subject to the approval of Shareholders at the 2026 AGM, the proposed final dividend will be paid on or around Tuesday, July 28, 2026 to Shareholders whose names appear on the register of members of the Company on Tuesday, July 7, 2026.

This reflects the Company's unwavering commitment to enhancing shareholders value and sharing the benefits of the Company's strong cash flow generation. Looking ahead, the Company will continue to consider various shareholder return measures, including share buybacks and dividend distributions, subject to its business development needs, market conditions and other relevant factors.

## Business Outlook

As AI technologies rapidly evolve, we remain dedicated to advancing our AI strategy and reinforcing Kuaishou's position as a leading AI-empowered content platform with increasing investments in AI. Guided by our “technology-driven, user-centric” philosophy, we will stay closely attuned to user needs while deepening AI integration to enhance operational efficiency for our merchants and marketing clients. Furthermore, the continuous expansion of AI applications throughout our content and commercial ecosystem will fuel high-quality growth within our core businesses, unlocking broader commercialization opportunities and delivering sustained, long-term value for our users, creators, partners, and shareholders.

**Mr. CHENG Yixiao**  
Chairman

## Management Discussion and Analysis

### YEAR ENDED DECEMBER 31, 2025 COMPARED TO YEAR ENDED DECEMBER 31, 2024

The following table sets forth the comparative figures in absolute amounts and as percentages of our total revenues for the years ended December 31, 2025 and 2024, respectively:

	Year Ended December 31,			
	2025	%	2024	%
	RMB		RMB	
	<i>(in millions, except for percentages)</i>			
<b>Revenues</b>	<b>142,776</b>	<b>100.0</b>	126,898	100.0
Cost of revenues	<b>(64,227)</b>	<b>(45.0)</b>	(57,606)	(45.4)
<b>Gross profit</b>	<b>78,549</b>	<b>55.0</b>	69,292	54.6
Selling and marketing expenses	<b>(42,229)</b>	<b>(29.6)</b>	(41,105)	(32.4)
Administrative expenses	<b>(3,343)</b>	<b>(2.3)</b>	(2,916)	(2.3)
Research and development expenses	<b>(14,491)</b>	<b>(10.1)</b>	(12,199)	(9.6)
Other income	<b>170</b>	<b>0.1</b>	533	0.4
Other gains, net	<b>1,981</b>	<b>1.4</b>	1,682	1.3
<b>Operating profit</b>	<b>20,637</b>	<b>14.5</b>	15,287	12.0
Finance (expense)/income, net	<b>(149)</b>	<b>(0.1)</b>	236	0.2
Share of losses of investments accounted for using the equity method	<b>(16)</b>	<b>(0.0)</b>	(29)	(0.0)
<b>Profit before income tax</b>	<b>20,472</b>	<b>14.4</b>	15,494	12.2
Income tax expenses	<b>(1,848)</b>	<b>(1.4)</b>	(150)	(0.1)
<b>Profit for the year</b>	<b>18,624</b>	<b>13.0</b>	15,344	12.1
<b>Non-IFRS Accounting Standards Measures:</b>				
Adjusted net profit (unaudited)	<b>20,647</b>	<b>14.5</b>	17,716	14.0
Adjusted EBITDA (unaudited)	<b>29,839</b>	<b>20.9</b>	24,770	19.5

# Management Discussion and Analysis

## Revenues

Our revenues increased by 12.5% to RMB142.8 billion in 2025, from RMB126.9 billion in 2024. The increase was primarily attributable to the growth of our online marketing services, live streaming business, e-commerce business and Kling AI business.

The following table sets forth our revenues by type in absolute amounts and as percentages of our total revenues in 2025 and 2024, respectively:

	Year Ended December 31,			
	2025 RMB	%	2024 RMB	%
	<i>(in millions, except for percentages)</i>			
Online marketing services	81,462	57.1	72,419	57.1
Live streaming	39,087	27.4	37,061	29.2
Other services	22,227	15.5	17,418	13.7
<b>Total</b>	<b>142,776</b>	<b>100.0</b>	<b>126,898</b>	<b>100.0</b>

### Online marketing services

Revenue from our online marketing services increased by 12.5% to RMB81.5 billion in 2025 from RMB72.4 billion in 2024, primarily attributable to the accelerated integration and innovative application of AI across diverse online marketing services scenarios.

### Live streaming

Revenue from our live streaming business increased by 5.5% to RMB39.1 billion in 2025 from RMB37.1 billion in 2024, as a result of our continuous efforts to develop a rich and healthy living streaming ecosystem and diverse high-quality content.

### Other services

Revenue from our other services increased by 27.6% to RMB22.2 billion in 2025 from RMB17.4 billion in 2024, primarily attributable to the growth of our e-commerce business and Kling AI business. The growth of e-commerce business was represented by the growth in our e-commerce GMV. The growth of Kling AI business was primarily attributable to our advanced AI technology and exceptional product performance.

# Management Discussion and Analysis

## Cost of Revenues

The following table sets forth our cost of revenues in absolute amounts and as percentages of our total revenues in 2025 and 2024, respectively:

	Year Ended December 31,			
	2025		2024	
	RMB	%	RMB	%
	<i>(in millions, except for percentages)</i>			
Revenue sharing costs and related taxes	43,859	30.7	36,277	28.6
Bandwidth expenses and server custody costs <sup>(1)</sup>	5,655	4.0	5,761	4.5
Depreciation of property and equipment and right-of-use assets, and amortization of intangible assets <sup>(1)</sup>	5,682	4.0	6,467	5.1
Employee benefit expenses	2,799	2.0	2,804	2.2
Payment processing costs	3,098	2.1	2,819	2.2
Other cost of revenues	3,134	2.2	3,478	2.8
<b>Total</b>	<b>64,227</b>	<b>45.0</b>	<b>57,606</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 11.5% to RMB64.2 billion in 2025 from RMB57.6 billion in 2024, primarily attributable to the increase in revenue sharing costs and related taxes in line with our revenue growth.

## 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, in 2025 and 2024, respectively:

	Year Ended December 31,			
	2025		2024	
	RMB	%	RMB	%
	<i>(in millions, except for percentages)</i>			
Gross profit	78,549	55.0	69,292	54.6

As a result of the foregoing, our gross profit increased by 13.4% to RMB78.5 billion in 2025 from RMB69.3 billion in 2024. Our gross profit margin increased to 55.0% in 2025 from 54.6% in 2024.

# Management Discussion and Analysis

## Selling and Marketing Expenses

Our selling and marketing expenses were RMB42.2 billion and RMB41.1 billion in 2025 and 2024, respectively. As a percentage of our total revenues, selling and marketing expenses decreased to 29.6% in 2025 from 32.4% in 2024, primarily attributable to our efforts to improve selling and marketing efficiency.

## Administrative Expenses

Our administrative expenses increased by 14.6% to RMB3.3 billion in 2025 from RMB2.9 billion in 2024, primarily due to an increase in employee benefit expenses, including the related share-based compensation expenses.

## Research and Development Expenses

Our research and development expenses increased by 18.8% to RMB14.5 billion in 2025 from RMB12.2 billion in 2024, primarily due to an increase in employee benefit expenses, including the related share-based compensation expenses, and the increased investments in AI.

## Other Income

Our other income was RMB170 million and RMB533 million in 2025 and 2024, respectively.

## Other Gains, Net

We had other gains, net of RMB2.0 billion in 2025, compared to RMB1.7 billion in 2024. 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 RMB20.6 billion and an operating margin of 14.5% in 2025, compared to an operating profit of RMB15.3 billion and an operating margin of 12.0% in 2024.

The following table sets forth our operating profit/(loss) by segment in absolute amounts in 2025 and 2024, respectively:

	Year Ended December 31,		
	2025	2024	Year-over-year change
	<i>(RMB millions, except for percentages)</i>		
Domestic	21,202	16,355	29.6%
Overseas	(76)	(934)	(91.9%)
Unallocated items	(489)	(134)	264.9%
<b>Total</b>	<b>20,637</b>	<b>15,287</b>	<b>35.0%</b>

# Management Discussion and Analysis

Our operating profit from the domestic segment increased to RMB21.2 billion in 2025 from RMB16.4 billion in 2024. The increase was primarily attributable to a 12.7% year-over-year growth in domestic revenues.

Our operating loss from the overseas segment narrowed to RMB76 million in 2025 from RMB934 million in 2024, primarily attributable to a 8.0% year-over-year growth in overseas revenues and improved operating efficiency.

## Finance (Expense)/Income, Net

Our finance expense, net was RMB149 million in 2025, compared to a finance income, net of RMB236 million in 2024. The change was primarily attributable to an 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 RMB16 million and RMB29 million in 2025 and 2024, respectively.

## Profit before Income Tax

As a result of the foregoing, our profit before income tax increased by 32.1% to RMB20.5 billion in 2025 from RMB15.5 billion in 2024.

## Income Tax Expenses

Our income tax expenses increased to RMB1.8 billion in 2025 from RMB150 million in 2024, as we incurred deferred income tax expenses in 2025, compared to deferred income tax benefits in 2024.

## Profit for the Year

As a result of the foregoing, we had a profit of RMB18.6 billion and RMB15.3 billion in 2025 and 2024, respectively.

# Management Discussion and Analysis

## FOURTH QUARTER OF 2025 COMPARED TO FOURTH QUARTER OF 2024

The following table sets forth the comparative figures in absolute amounts and as percentages of our total revenues for the fourth quarter of 2025 and 2024, respectively:

	2025		2024	
	RMB	%	RMB	%
<b>Unaudited</b>				
<b>Three Months Ended December 31,</b>				
<i>(in millions, except for percentages)</i>				
<b>Revenues</b>	<b>39,568</b>	<b>100.0</b>	35,384	100.0
Cost of revenues	<b>(17,749)</b>	<b>(44.9)</b>	(16,261)	(46.0)
<b>Gross profit</b>	<b>21,819</b>	<b>55.1</b>	19,123	54.0
Selling and marketing expenses	<b>(11,409)</b>	<b>(28.8)</b>	(11,317)	(32.0)
Administrative expenses	<b>(930)</b>	<b>(2.4)</b>	(866)	(2.4)
Research and development expenses	<b>(4,143)</b>	<b>(10.5)</b>	(3,451)	(9.8)
Other income	<b>74</b>	<b>0.2</b>	187	0.5
Other gains, net	<b>379</b>	<b>1.0</b>	592	1.8
<b>Operating profit</b>	<b>5,790</b>	<b>14.6</b>	4,268	12.1
Finance (expense)/income, net	<b>(31)</b>	<b>(0.1)</b>	19	0.0
Share of losses of investments accounted for using the equity method	<b>(9)</b>	<b>(0.0)</b>	(1)	(0.0)
<b>Profit before income tax</b>	<b>5,750</b>	<b>14.5</b>	4,286	12.1
Income tax expenses	<b>(516)</b>	<b>(1.3)</b>	(312)	(0.9)
<b>Profit for the period</b>	<b>5,234</b>	<b>13.2</b>	3,974	11.2
<b>Non-IFRS Accounting Standards Measures:</b>				
Adjusted net profit	<b>5,463</b>	<b>13.8</b>	4,701	13.3
Adjusted EBITDA	<b>8,037</b>	<b>20.3</b>	6,869	19.4

# Management Discussion and Analysis

## Revenues

Our revenues increased by 11.8% to RMB39.6 billion for the fourth quarter of 2025 from RMB35.4 billion for the same period of 2024. The increase was primarily attributable to the growth of our online marketing services, e-commerce business 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 fourth quarter of 2025 and 2024, respectively:

	Unaudited Three Months Ended December 31,			
	2025		2024	
	RMB	%	RMB	%
	<i>(in millions, except for percentages)</i>			
Online marketing services	23,618	59.7	20,620	58.3
Live streaming	9,655	24.4	9,846	27.8
Other services	6,295	15.9	4,918	13.9
<b>Total</b>	<b>39,568</b>	<b>100.0</b>	<b>35,384</b>	<b>100.0</b>

### Online marketing services

Revenue from our online marketing services increased by 14.5% to RMB23.6 billion for the fourth quarter of 2025, from RMB20.6 billion for the same period of 2024, primarily attributable to the accelerated integration and innovative application of AI across diverse online marketing services scenarios.

### Live streaming

Revenue from our live streaming business was RMB9.7 billion and RMB9.8 billion for the fourth quarter of 2025 and 2024, respectively.

### Other services

Revenue from our other services increased by 28.0% to RMB6.3 billion for the fourth quarter of 2025, from RMB4.9 billion for the same period of 2024, primarily due to the growth of our e-commerce business and Kling AI business. The growth of e-commerce business was represented by the growth in our e-commerce GMV. The growth of Kling AI business was primarily attributable to our advanced AI technology and exceptional product performance.

# Management Discussion and Analysis

## Cost of Revenues

The following table sets forth our cost of revenues in absolute amounts and as percentages of our total revenues for the fourth quarter of 2025 and 2024, respectively:

	Unaudited Three Months Ended December 31,			
	2025 RMB	%	2024 RMB	%
<i>(in millions, except for percentages)</i>				
Revenue sharing costs and related taxes	12,416	31.4	10,334	29.2
Bandwidth expenses and server custody costs <sup>(1)</sup>	1,392	3.5	1,527	4.3
Depreciation of property and equipment and right-of-use assets, and amortization of intangible assets <sup>(1)</sup>	1,564	4.0	1,713	4.8
Employee benefit expenses	728	1.8	757	2.1
Payment processing costs	820	2.1	846	2.4
Other cost of revenues	829	2.1	1,084	3.2
<b>Total</b>	<b>17,749</b>	<b>44.9</b>	<b>16,261</b>	<b>46.0</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 9.2% to RMB17.7 billion for the fourth quarter of 2025, from RMB16.3 billion for the same period of 2024, primarily attributable to the increase in revenue sharing costs and related taxes in line with our revenue growth.

## 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 fourth quarter of 2025 and 2024, respectively:

	Unaudited Three Months Ended December 31,			
	2025 RMB	%	2024 RMB	%
<i>(in millions, except for percentages)</i>				
Gross profit	21,819	55.1	19,123	54.0

## Management Discussion and Analysis

As a result of the foregoing, our gross profit increased by 14.1% to RMB21.8 billion for the fourth quarter of 2025, from RMB19.1 billion for the same period of 2024. Our gross profit margin increased to 55.1% for the fourth quarter of 2025, from 54.0% in the same period of 2024.

### Selling and Marketing Expenses

Our selling and marketing expenses were RMB11.4 billion and RMB11.3 billion for the fourth quarter of 2025 and 2024, respectively. As a percentage of our total revenues, selling and marketing expenses decreased to 28.8% for the fourth quarter of 2025 from 32.0% for the same period of 2024, primarily attributable to our efforts to improve selling and marketing efficiency.

### Administrative Expenses

Our administrative expenses were RMB930 million and RMB866 million for the fourth quarter of 2025 and 2024, respectively.

### Research and Development Expenses

Our research and development expenses increased by 20.1% to RMB4.1 billion for the fourth quarter of 2025, from RMB3.5 billion for the same period of 2024, primarily attributable to an increase in employee benefit expenses, including the related share-based compensation expenses, and the increased investments in AI.

### Other Income

Our other income was RMB74 million and RMB187 million for the fourth quarter of 2025 and 2024, respectively.

### Other Gains, Net

We recorded other gains, net of RMB379 million and RMB592 million for the fourth quarter of 2025 and 2024, respectively.

### Operating Profit

As a result of the foregoing, we had an operating profit of RMB5.8 billion and an operating margin of 14.6% for the fourth quarter of 2025, compared to an operating profit of RMB4.3 billion and an operating margin of 12.1% for the same period of 2024.

## Management Discussion and Analysis

The following table sets forth our operating profit/(loss) by segment in absolute amounts for the fourth quarter of 2025 and 2024, respectively:

	Unaudited		
	Three Months Ended December 31,		
	2025	2024	Year-over-year change
	<i>(RMB millions, except for percentages)</i>		
Domestic	6,065	4,361	39.1%
Overseas	(59)	(236)	(75.0%)
Unallocated items	(216)	143	N/A
<b>Total</b>	<b>5,790</b>	<b>4,268</b>	<b>35.7%</b>

Our operating profit from the domestic segment increased to RMB6.1 billion for the fourth quarter of 2025, from RMB4.4 billion for the same period of 2024, mainly due to a 12.2% year-over-year growth in domestic revenues.

Our operating loss from the overseas segment decreased to RMB59 million for the fourth quarter of 2025, from RMB236 million for the same period of 2024. The decrease was primarily attributable to improved operating efficiency.

### Finance (Expense)/Income, Net

Our finance expense, net was RMB31 million for the fourth quarter of 2025, compared to a finance income, net of RMB19 million for the same period of 2024.

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

Our share of losses of investments accounted for using the equity method was RMB9 million and RMB1 million for the fourth quarter of 2025 and 2024, respectively.

### Profit before Income Tax

As a result of the foregoing, we had a profit before income tax of RMB5.8 billion and RMB4.3 billion for the fourth quarter of 2025 and 2024, respectively.

### Income Tax Expenses

We incurred income tax expenses of RMB516 million and RMB312 million for the fourth quarter of 2025 and 2024, respectively.

# Management Discussion and Analysis

## Profit for the Period

As a result of the foregoing, we had a profit for the period of RMB5.2 billion for the fourth quarter of 2025, compared to a profit of RMB4.0 billion for the same period of 2024.

## FOURTH QUARTER OF 2025 COMPARED TO THIRD QUARTER OF 2025

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

	Unaudited Three Months Ended			
	December 31, 2025		September 30, 2025	
	RMB	%	RMB	%
<i>(in millions, except for percentages)</i>				
<b>Revenues</b>	<b>39,568</b>	<b>100.0</b>	35,554	100.0
Cost of revenues	<b>(17,749)</b>	<b>(44.9)</b>	(16,120)	(45.3)
<b>Gross profit</b>	<b>21,819</b>	<b>55.1</b>	19,434	54.7
Selling and marketing expenses	<b>(11,409)</b>	<b>(28.8)</b>	(10,420)	(29.3)
Administrative expenses	<b>(930)</b>	<b>(2.4)</b>	(688)	(1.9)
Research and development expenses	<b>(4,143)</b>	<b>(10.5)</b>	(3,650)	(10.3)
Other income	<b>74</b>	<b>0.2</b>	27	0.1
Other gains, net	<b>379</b>	<b>1.0</b>	596	1.6
<b>Operating profit</b>	<b>5,790</b>	<b>14.6</b>	5,299	14.9
Finance expense, net	<b>(31)</b>	<b>(0.1)</b>	(40)	(0.1)
Share of (losses)/profits of investments accounted for using the equity method	<b>(9)</b>	<b>(0.0)</b>	3	0.0
<b>Profit before income tax</b>	<b>5,750</b>	<b>14.5</b>	5,262	14.8
Income tax expenses	<b>(516)</b>	<b>(1.3)</b>	(773)	(2.2)
<b>Profit for the period</b>	<b>5,234</b>	<b>13.2</b>	4,489	12.6
<b>Non-IFRS Accounting Standards Measures:</b>				
Adjusted net profit	<b>5,463</b>	<b>13.8</b>	4,986	14.0
Adjusted EBITDA	<b>8,037</b>	<b>20.3</b>	7,653	21.5

# Management Discussion and Analysis

## Revenues

Our revenues increased by 11.3% to RMB39.6 billion for the fourth quarter of 2025, from RMB35.6 billion for the third quarter of 2025, primarily attributable to the growth of our online marketing services 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 fourth quarter and third quarter of 2025, respectively:

	Unaudited Three Months Ended			
	December 31, 2025		September 30, 2025	
	<i>RMB</i>	<i>%</i>	<i>RMB</i>	<i>%</i>
	<i>(in millions, except for percentages)</i>			
Online marketing services	23,618	59.7	20,102	56.5
Live streaming	9,655	24.4	9,574	26.9
Other services	6,295	15.9	5,878	16.6
<b>Total</b>	<b>39,568</b>	<b>100.0</b>	<b>35,554</b>	<b>100.0</b>

### Online marketing services

Revenue from our online marketing services increased by 17.5% to RMB23.6 billion for the fourth quarter of 2025, from RMB20.1 billion for the third quarter of 2025, primarily attributable to the e-commerce promotional events in the fourth quarter of 2025.

### Live streaming

Revenue from our live streaming business was RMB9.7 billion and RMB9.6 billion for the fourth quarter and the third quarter of 2025, respectively.

### Other services

Revenue from our other services increased by 7.1% to RMB6.3 billion for the fourth quarter of 2025, from RMB5.9 billion for the third quarter of 2025, primarily due to the growth of our e-commerce business, represented by the growth in our e-commerce GMV.

# Management Discussion and Analysis

## Cost of Revenues

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

	Unaudited Three Months Ended		September 30, 2025	
	December 31, 2025 RMB	%	RMB	%
	<i>(in millions, except for percentages)</i>			
Revenue sharing costs and related taxes	12,416	31.4	10,959	30.8
Bandwidth expenses and server custody costs <sup>(1)</sup>	1,392	3.5	1,451	4.1
Depreciation of property and equipment and right-of-use assets, and amortization of intangible assets <sup>(1)</sup>	1,564	4.0	1,477	4.2
Employee benefit expenses	728	1.8	711	2.0
Payment processing costs	820	2.1	710	2.0
Other cost of revenues	829	2.1	812	2.2
<b>Total</b>	<b>17,749</b>	<b>44.9</b>	<b>16,120</b>	<b>45.3</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 10.1% to RMB17.7 billion for the fourth quarter of 2025, from RMB16.1 billion for the third quarter of 2025, primarily attributable to the increase in revenue sharing costs and related taxes in line with our revenue growth.

## 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 fourth quarter and the third quarter of 2025, respectively:

	Unaudited Three Months Ended		September 30, 2025	
	December 31, 2025 RMB	%	RMB	%
	<i>(in millions, except for percentages)</i>			
Gross profit	21,819	55.1	19,434	54.7

## Management Discussion and Analysis

As a result of the foregoing, our gross profit increased by 12.3% to RMB21.8 billion for the fourth quarter of 2025, from RMB19.4 billion for the third quarter of 2025. Our gross profit margin increased to 55.1% for the fourth quarter of 2025, from 54.7% for the third quarter of 2025.

### Selling and Marketing Expenses

Our selling and marketing expenses increased by 9.5% to RMB11.4 billion for the fourth quarter of 2025, from RMB10.4 billion for the third quarter of 2025, primarily due to the increased spending in promotion activities. Our selling and marketing expenses as a percentage of our total revenues decreased to 28.8% for the fourth quarter of 2025, from 29.3% for the third quarter of 2025, primarily attributable to our efforts to improve selling and marketing efficiency.

### Administrative Expenses

Our administrative expenses were RMB930 million for the fourth quarter of 2025, compared to RMB688 million for the third quarter of 2025, mainly due to an increase in employee benefit expenses, including the related share-based compensation expenses, and the increase in credit loss allowances on financial assets.

### Research and Development Expenses

Our research and development expenses were RMB4.1 billion for the fourth quarter of 2025, compared to RMB3.7 billion for the third quarter of 2025, mainly due to an increase in employee benefit expenses, including the related share-based compensation expenses, and the increased investments in AI.

### Other Income

Our other income was RMB74 million and RMB27 million for the fourth quarter and the third quarter of 2025, respectively.

### Other Gains, Net

We recorded other gains, net of RMB379 million and RMB596 million for the fourth quarter and the third quarter of 2025, respectively.

### Operating Profit

As a result of the foregoing, we had an operating profit of RMB5.8 billion and RMB5.3 billion for the fourth quarter and the third quarter of 2025, respectively, and our operating margin was 14.6% for the fourth quarter of 2025, compared to 14.9% for the third quarter of 2025.

## Management Discussion and Analysis

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

	<b>Unaudited</b>		
	<b>Three Months Ended</b>		
	<b>December 31,</b>	September 30,	Quarter-over-
	<b>2025</b>	2025	quarter change
	<i>(RMB millions, except for percentages)</i>		
Domestic	<b>6,065</b>	5,391	12.5%
Overseas	<b>(59)</b>	(64)	(7.8%)
Unallocated items	<b>(216)</b>	(28)	671.4%
<b>Total</b>	<b>5,790</b>	5,299	9.3%

Our operating profit from the domestic segment increased to RMB6.1 billion for the fourth quarter of 2025, from RMB5.4 billion for the third quarter of 2025, mainly due to a 11.2% quarter-over-quarter growth in domestic revenues.

Our operating loss from the overseas segment was RMB59 million and RMB64 million for the fourth quarter and the third quarter of 2025, respectively.

### Finance Expense, Net

We had finance expense, net of RMB31 million and RMB40 million for the fourth quarter and the third quarter of 2025, respectively.

### 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 RMB9 million for the fourth quarter of 2025, compared to share of profits of RMB3 million for the third quarter of 2025.

### Profit before Income Tax

As a result of the foregoing, we had a profit before income tax of RMB5.8 billion for the fourth quarter of 2025, compared to RMB5.3 billion for the third quarter of 2025.

### Income Tax Expenses

We incurred income tax expenses of RMB516 million and RMB773 million for the fourth quarter and the third quarter of 2025, respectively.

# Management Discussion and Analysis

## Profit for the Period

As a result of the foregoing, our profit for the period was RMB5.2 billion for the fourth quarter of 2025, compared to RMB4.5 billion for the third quarter of 2025.

## 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 years ended December 31, 2025 and 2024, respectively, to the nearest measures prepared in accordance with IFRS Accounting Standards:

	Year Ended December 31,	
	2025 (RMB millions)	2024
<b>Profit for the year</b>	<b>18,624</b>	15,344
Adjusted for:		
Share-based compensation expenses	<b>2,640</b>	2,349
Net fair value changes on investments <sup>(1)</sup>	<b>(617)</b>	23
<b>Adjusted net profit (unaudited)</b>	<b>20,647</b>	17,716
<b>Adjusted net profit (unaudited)</b>	<b>20,647</b>	17,716
Adjusted for:		
Income tax expenses	<b>1,848</b>	150
Depreciation of property and equipment	<b>3,903</b>	4,064
Depreciation of right-of-use assets	<b>3,215</b>	2,972
Amortization of intangible assets	<b>77</b>	104
Finance expense/(income), net	<b>149</b>	(236)
<b>Adjusted EBITDA (unaudited)</b>	<b>29,839</b>	24,770

## Management Discussion and Analysis

The following table sets forth the reconciliations of our non-IFRS Accounting Standards financial measures for the fourth quarter of 2025, the third quarter of 2025 and the fourth quarter of 2024, respectively, to the nearest measures prepared in accordance with IFRS Accounting Standards:

	<b>Unaudited</b>		
	<b>Three Months Ended</b>		
	<b>December 31,</b>	September 30,	December 31,
	<b>2025</b>	2025	2024
	<b>(RMB millions)</b>		
<b>Profit for the period</b>	<b>5,234</b>	4,489	3,974
Adjusted for:			
Share-based compensation expenses	<b>669</b>	651	636
Net fair value changes on investments <sup>(1)</sup>	<b>(440)</b>	(154)	91
<b>Adjusted net profit</b>	<b>5,463</b>	4,986	4,701
<b>Adjusted net profit</b>	<b>5,463</b>	4,986	4,701
Adjusted for:			
Income tax expenses	<b>516</b>	773	312
Depreciation of property and equipment	<b>1,205</b>	1,031	1,093
Depreciation of right-of-use assets	<b>814</b>	802	756
Amortization of intangible assets	<b>8</b>	21	26
Finance expense/(income), net	<b>31</b>	40	(19)
<b>Adjusted EBITDA</b>	<b>8,037</b>	7,653	6,869

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, other than the funds raised through our Global Offering in February 2021, 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 RMB11.2 billion as of December 31, 2025, compared to RMB12.7 billion as of December 31, 2024.

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 RMB104.9 billion as of December 31, 2025, compared to RMB92.8 billion as of December 31, 2024.

## Management Discussion and Analysis

The following table sets forth a summary of our cash flows for the years ended December 31, 2025 and 2024, respectively:

	Year Ended December 31,	
	2025 (RMB millions)	2024
Net cash generated from operating activities	26,716	29,787
Net cash used in investing activities	(26,256)	(36,677)
Net cash (used in)/generated from financing activities	(1,925)	6,714
Net decrease in cash and cash equivalents	(1,465)	(176)
Cash and cash equivalents at the beginning of the year	12,697	12,905
Effects of exchange rate changes on cash and cash equivalents	(52)	(32)
Cash and cash equivalents at the end of the year	11,180	12,697

### 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 year ended December 31, 2025, our net cash generated from operating activities was RMB26.7 billion, which was primarily attributable to our profit before income tax of RMB20.5 billion, adjusted by non-cash items, primarily comprising depreciation of property and equipment of RMB3.9 billion, depreciation of right-of-use assets of RMB3.2 billion, net fair value gains on financial assets at fair value through profit or loss of RMB3.1 billion and share-based compensation expenses of RMB2.6 billion. We also paid income tax of RMB1.4 billion.

### Net Cash Used in Investing Activities

For the year ended December 31, 2025, our net cash used in investing activities was RMB26.3 billion, which was primarily attributable to purchase of property, equipment and intangible assets of RMB14.9 billion and net investments in financial assets at fair value through profit or loss of RMB12.6 billion.

### Net Cash Used in Financing Activities

For the year ended December 31, 2025, our net cash used in financing activities was RMB1.9 billion, which was primarily attributable to payments for principal elements of lease and related interest of RMB3.8 billion, net proceeds under notes arrangements of RMB3.7 billion, payment for shares repurchase of RMB2.9 billion, dividends paid to shareholders of RMB1.8 billion and net proceeds from borrowings of RMB1.6 billion.

# Management Discussion and Analysis

## **BORROWINGS**

As of December 31, 2025, we had total borrowings of RMB13.1 billion. Details of our borrowings are disclosed in Note 26 to the Consolidated Financial Statements in this annual report.

## **GEARING RATIO**

As of December 31, 2025, our gearing ratio, calculated as total borrowings divided by total equity attributable to equity holders of the Company, was 16.4%.

## **CONTINGENT LIABILITIES**

We did not have any material contingent liabilities as of December 31, 2025.

## **SIGNIFICANT INVESTMENTS HELD**

As of December 31, 2025, we did not hold any significant investments in the equity interests of any other companies.

## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

During the Reporting Period, we did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures.

## **PLEDGE OF ASSETS**

As of December 31, 2025, we did not pledge any assets of the Group.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

Save as otherwise disclosed in this annual report, as of December 31, 2025, we had no specific plan for material investments or acquisition of capital assets. However, we will continue to identify new opportunities for business development and investments.

# Management Discussion and Analysis

## FOREIGN EXCHANGE RISK

During the Reporting Period, most transactions of the Group were settled in RMB and USD, while a limited number of transactions was denominated in foreign currencies such as Brazilian real, the amount of which was not significant. Thus, the Group mitigated such risk mainly through natural hedges wherever possible.

The Group is also exposed to foreign exchange risk in respect of its borrowings. As of December 31, 2025, a subsidiary of the Group with functional currency of USD had RMB-denominated bank borrowings amounting to RMB11.1 billion (2024: RMB11.1 billion). Accordingly, the Group has entered into certain foreign currency option and forward agreements to manage the risk of RMB exchange rate fluctuations.

For further details, please refer to Notes 3.1, 18 and 26 to the Consolidated Financial Statements in this annual report. The Group will continue to monitor foreign exchange risk based on its business development requirements to best preserve the Group's cash value, and may engage in other hedging activities when necessary.

## Report of the Board of Directors

The Board is pleased to present its report together with the audited Consolidated Financial Statements of the Group for the Reporting Period.

### USE OF PROCEEDS

#### Use of Proceeds from the Global Offering

The net proceeds received by the Company from the Global Offering, after deduction of the underwriting commission and other expenses payable by the Company in connection with the Global Offering, were approximately HK\$46,964.4 million.

References are made to (i) the results announcement for the three and six months ended June 30, 2023 of the Company dated August 22, 2023, in relation to, among others, the reallocation of the unutilized net proceeds as of June 30, 2023 (the “**2023 Reallocation**”), and (ii) the results announcement for the year ended December 31, 2024 of the Company dated March 25, 2025 (the “**2024 Final Results Announcement**”) in relation to, among others, the further change in the unutilized net proceeds as of December 31, 2024, and the extension of the expected timeline (the “**2025 Reallocation**”).

There has been no change in the intended use of net proceeds after the 2025 Reallocation as previously disclosed in the 2024 Final Results Announcement. Please refer to the 2024 Final Results Announcement for details.

As of December 31, 2025, the Group has utilized the net proceeds as set out in the table below:

	Allocation of net proceeds as set out in the Prospectus (HK\$ million)	Amount of net proceeds unutilized immediately after the 2023 Reallocation (HK\$ million)	Amount of net proceeds utilized after the 2023 Reallocation and immediately before the 2025 Reallocation (HK\$ million)	Amount of net proceeds unutilized immediately before the 2025 Reallocation (HK\$ million)	Amount of net proceeds unutilized immediately after the 2025 Reallocation (HK\$ million)	Amount of net proceeds utilized after the 2025 Reallocation up to December 31, 2025 (HK\$ million)	Balance of net proceeds as of December 31, 2025 (HK\$ million)	Expected timeline of full utilization of net proceeds
Enhance and grow the ecosystem	16,437.5	4,737.3	774.9	3,962.4	2,021.6	2,021.6	—	Used up
Strengthen research and development and technological capabilities	14,089.3	4,237.3	587.5	3,649.8	2,021.6	2,021.6	—	Used up
Selectively acquire or invest in products, services and businesses	11,741.1	500.0	25.7	474.3	—	—	—	—
Working capital and general corporate purposes	4,696.5	3,158.3	3,158.3	—	4,043.3	4,043.3	—	Used up
<b>Total</b>	<b>46,964.4</b>	<b>12,632.9</b>	<b>4,546.4</b>	<b>8,086.5</b>	<b>8,086.5</b>	<b>8,086.5</b>	<b>—</b>	

# Report of the Board of Directors

## BUSINESS AND COMPANY-RELATED INFORMATION

### Principal Activities

The Group is a leading content community and social platform. As the various parts of the Group's platform work together, they enable numerous interactions among the Group's ecosystem participants and generate a significant network effect:

- **Content:** The Group's users have contributed to a vast and organically growing repository of short video and live streaming content, as well as the community and the myriad of social interactions and connections that springs from it. Leveraging its optimized traffic mechanism underpinned by its technological capabilities and deep data insights, the Group promotes content on its platform that embraces all lifestyles and reflects the lives of its users.
- **Business:** The Group provides business partners with massive and high quality user traffic as well as comprehensive solutions to help them reach and fulfill various needs of their target customers which arise on its platform. The Group also has a diverse range of monetization channels across online marketing, live streaming, e-commerce, AI applications, lifestyle services, and more.
- **Technology and Data:** The Group's advanced technologies and massive data repository support its ecosystem. The Group's technological capabilities, powered by cutting-edge AI technology, enable it to serve the interests and needs of users and cover various aspects of content creation, compression, transmissions, analysis, recommendation, search and other fields. Through our accumulated data insights and deep expertise in AI technologies, we are able to enhance understanding of our users' interests and behaviors, allowing us to continuously upgrade and expand our service offering.

### Results of Operations

The results of the Group for the Reporting Period are set out in the consolidated income statement contained in this annual report.

### Five-Year Financial Summary

A summary of the condensed consolidated income statements and statements of comprehensive (loss)/income, and condensed consolidated balance sheets of the Group is set out on page 8 of this annual report.

### Annual General Meeting

The 2026 AGM will be held on Thursday, June 25, 2026. A notice convening the 2026 AGM will be published and dispatched to the Shareholders in the manner required by the Listing Rules in due course (if requested).

# Report of the Board of Directors

## Dividend Policy

The Company is a holding company incorporated under the laws of the Cayman Islands. As a result, the payment and amount of any future dividend will also depend on the availability of dividends received from its subsidiaries. PRC laws require that dividends be paid only out of the profit for the year calculated according to PRC accounting principles, which differ in many aspects from the generally accepted accounting principles in other jurisdictions, including IFRS Accounting Standards. PRC laws also require foreign-invested enterprises to set aside at least 10% of their after-tax profits as the statutory common reserve fund until the cumulative amount of the statutory common reserve fund reaches 50% or more of such enterprises' registered capital, if any, to fund their statutory common reserves, which are not available for distribution as cash dividends.

With the objective of further enhancing shareholders' returns, the Board has approved and adopted a dividend policy in accordance with the requirements of the Articles of Association, Cayman Islands law and other applicable laws and regulations, under which the Board may choose to recommend or declare dividends each year. The determination to make dividend distributions in any particular year will be made at the discretion of the Board based upon factors such as the Company's results of operations, cash flow, financial condition, capital requirements and other considerations that the Board deems relevant. Dividend distribution to the Shareholders is recognized as a liability in the period in which the dividends are approved by the Shareholders or Directors, where appropriate.

## Final Dividend

The Board is pleased to announce that it has recommended the payment of a final dividend of HK\$0.69 per Share for the year ended December 31, 2025 (the "**2025 Final Dividend**"), amounting to approximately HK\$3.0 billion in total. Subject to the approval of the Shareholders at the 2026 AGM, the proposed 2025 Final Dividend will be paid on or around Tuesday, July 28, 2026 in Hong Kong dollars and in cash to the Shareholders whose names appear on the register of members of the Company on Tuesday, July 7, 2026. All the treasury shares (if any) and the Shares repurchased by the Company pending cancellation (if any) will not receive the proposed 2025 Final Dividend. As of the Latest Practicable Date, the Company did not hold any treasury shares and a total of 6,308,600 Class B Shares repurchased had not been cancelled.

As of the Latest Practicable Date, there is no arrangement under which a Shareholder has waived or agreed to waive any dividend (including future dividends).

# Report of the Board of Directors

## Closure of Register of Members

### *(a) Entitlement to attend and vote at the 2026 AGM*

For determining the entitlement to attend and vote at the 2026 AGM, the register of members of the Company will be closed from Monday, June 22, 2026 to Thursday, June 25, 2026 (both days inclusive), during which period no transfer of shares of the Company will be registered. The record date will be Thursday, June 25, 2026. In order to be eligible to attend and vote at the 2026 AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration not later than 4:30 p.m. on Thursday, June 18, 2026.

### *(b) Entitlement to the proposed 2025 Final Dividend*

For determining the entitlement to the proposed 2025 Final Dividend, the register of members of the Company will be closed from Thursday, July 2, 2026 to Tuesday, July 7, 2026 (both days inclusive), during which period no transfer of shares of the Company will be registered. The record date will be Tuesday, July 7, 2026. In order to qualify for the proposed 2025 Final Dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, June 30, 2026.

## Business Review

A fair review of the business of the Group as required by Schedule 5 to the Companies Ordinance, including analysis of the Group's financial performance, an indication of likely future developments in the Group's business, a description of the principal risks and uncertainties facing the Group and the Group's key relationships with its stakeholders who have a significant impact on the Group and on which the Group's success depends, is set out in the sections headed "Chairman's Statement", "Management Discussion and Analysis", "Corporate Governance Report" and "Environmental, Social and Governance Report" of this annual report. These discussions form part of the Group's business review.

# Report of the Board of Directors

## Future Development

The Company aims to be the most customer-obsessed company in the world. The Group's mission is to help people discover their needs and use their talents in order to find their unique brand of happiness. To achieve such mission and further strengthen the Group's market leadership, the Group intends to pursue the following strategies:

- continue to exceed users' expectations;
- continue to strengthen our technological capabilities;
- further expand on our ecosystem and monetization capabilities; and
- selectively pursue strategic alliances, investments and acquisitions.

## Environmental Policies and Performance

The Group is not subject to significant environmental risks. During the Reporting Period, the Group had not been subject to any fines or other penalties due to non-compliance with environmental regulations, which would likely to have a material and adverse effect on its business, financial conditions or results of operations.

More details of the environmental policies and performance of the Company are set forth in the section headed "Environmental, Social and Governance Report" of this annual report.

## Relationships with Stakeholders

### *Employees*

The Group had 24,202 full-time employees as of December 31, 2025. The Group also used some third-party labor outsourcing and labor dispatch services, though most of our employees were directly employed by us. Substantially all of the Group's employees are based in China, primarily at our headquarters in Beijing as well as in Chengdu, Hangzhou, Wuhan, Wuxi and other cities.

The Group's success depends on its ability to attract, retain and motivate qualified personnel. The Group adopts high standards in recruitment with strict procedures to ensure the quality of new hires. The Group uses various methods for our recruitment, including campus recruitment, online recruitment, internal recommendation and recruitment through headhunter firms or agents, to satisfy its demand for different types of talents, and pay competitive market salaries.

## Report of the Board of Directors

The Group provides robust training programs for its employees, which it believes are effective in equipping them with the necessary skillset and work ethic. As required by PRC laws, the Group participates in mandatory employee social security schemes that are organized by municipal and provincial governments, including pension insurance, unemployment insurance, maternity insurance, work-related injury insurance, medical insurance and housing provident funds. The Group and its employees are required to bear the costs of the social security schemes in proportion to a specified percentage. The Group is required under PRC law to make contributions to employee social security plans directly at specified percentages of the salaries, bonuses and certain allowances of our employees, up to a maximum amount specified by the local government from time to time.

The total remuneration expenses of the employees of the Group for the Reporting Period are set out in Note 9 to the Consolidated Financial Statements in this annual report.

### *Customers and Suppliers*

The Group's major customers primarily include advertisers, merchants and individuals. The Group's top five customers accounted for less than 30% of the Group's total revenues for the Reporting Period. The Group's major suppliers primarily include marketing service providers, cloud service providers and bandwidth service providers. The Group's top five suppliers accounted for less than 30% of the Group's purchases for the Reporting Period.

### **Property and Equipment**

Details of movements in the property and equipment of the Group during the Reporting Period are set out in Note 14 to the Consolidated Financial Statements in this annual report.

### **Share Capital**

Details of the movements in the Company's share capital during the Reporting Period are set out in Note 22 to the Consolidated Financial Statements in this annual report.

### **Reserves and Distributable Reserves**

Details of movements in the reserves of the Company during the Reporting Period are set out in Note 36 to the Consolidated Financial Statements in this annual report. As of December 31, 2025, the Company had distributable reserves amounting to RMB91,691 million.

### **Bank Loans and Other Borrowings**

Details of the borrowings are set out in Note 26 to the Consolidated Financial Statements in this annual report. As of December 31, 2025, the Group had total borrowings of RMB13.1 billion.

### **Issue of Debentures**

The Group has not issued any debentures during the Reporting Period.

## Report of the Board of Directors

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

During the year ended December 31, 2025 and up to the Latest Practicable Date, the Company repurchased a total of 70,898,200 Class B Shares (the “**Shares Repurchased**”) on the Stock Exchange at an aggregate consideration of HK\$3,800,412,009.22. 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 (HK\$)
		Highest (HK\$)	Lowest (HK\$)	
January 2025	10,194,800	41.20	39.20	409,643,865.56
February 2025	261,500	39.95	39.50	10,413,662.20
March 2025	13,718,400	57.10	53.25	764,514,522.87
April 2025	5,013,400	49.65	44.60	234,573,965.68
May 2025	1,509,200	52.85	51.00	77,469,458.58
June 2025	8,100,000	52.55	50.30	419,551,400.00
July 2025	0	N/A	N/A	0.00
August 2025	0	N/A	N/A	0.00
September 2025	2,137,000	74.30	73.35	157,515,973.00
October 2025	1,314,600	75.10	74.55	98,406,749.28
November 2025	2,050,000	68.80	63.05	133,472,010.00
December 2025	12,481,700	68.95	63.05	812,450,273.35
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 (up to the Latest Practicable Date)	2,689,000	45.08	44.52	120,718,362.00
<b>Total</b>	<b>70,898,200</b>			<b>3,800,412,009.22</b>

## Report of the Board of Directors

As of the Latest Practicable Date, a total of 73,204,500 Class B Shares repurchased from December 18, 2024 to March 26, 2026 have been cancelled on January 24, February 28, April 24, May 15, June 13, September 30, October 31, November 28, December 19, 2025, January 30, and April 15, 2026, respectively, and the number of Class B Shares in issue was reduced by 73,204,500 shares as a result of the cancellation. Upon cancellation of such Class B Shares and for its other considerations, Reach Best, a holder of Class A Shares, simultaneously converted a total of 55,988,873 Class A Shares into Class B Shares on a one-to-one ratio on the same days, according to the Listing Rules. As of the Latest Practicable Date, a total of 6,308,600 Class B Shares repurchased had not been cancelled and the Company did not hold any treasury shares.

Save as disclosed above, neither the Company nor any of its subsidiaries or Consolidated Affiliated Entities has repurchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the year ended December 31, 2025 and up to the Latest Practicable Date.

### Pre-emptive Rights

There is no provision for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands that would oblige the Company to offer new shares on a pro rata basis to the existing Shareholders.

### Tax Relief and Exemption and Professional Tax Advice Recommended

The Company is not aware of any tax relief or exemption available to the Shareholders by reasons of their holding of the Company's securities. If the Shareholders are unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or the exercise of any rights (including entitlements to any relief of taxation) in relation to, the Shares, they are advised to consult an expert.

### Charitable Donations

During the Reporting Period, the Group made approximately RMB75 million charitable and other donations.

### Contracts with the Controlling Shareholders

Save as disclosed in this annual report, no contract of significance or contract of significance for the provision of services has been entered into among the Company or any of its subsidiaries, the Consolidated Affiliated Entities and the Controlling Shareholders or any of their subsidiaries during the Reporting Period.

### Management Contracts

No contract, concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existing during the Reporting Period.

# Report of the Board of Directors

## Corporate Governance

The Company is committed to maintaining and promoting high standards of corporate governance which are crucial to the Company'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 during the Reporting Period. Information on the corporate governance practices adopted by the Company is set forth in the section headed "Corporate Governance Report" of this annual report.

## Sufficiency of Public Float

Based on the information publicly available to the Company and to the best knowledge of the Directors, at least 25% of the Company's total issued shares, the prescribed minimum percentage of public float approved by the Stock Exchange and permitted under the Listing Rules, was held by the public during the Reporting Period and up to the Latest Practicable Date.

## Legal Proceedings and Compliance

The Group may from time to time become a party to various legal, arbitral or administrative proceedings arising in the ordinary course of its business. During the Reporting Period, the Group had not been a party to, and was not aware of any threat of, any legal, arbitral or administrative proceedings, which, in its opinion, would likely to have a material and adverse effect on its business, financial conditions or results of operations.

The Group is subject to applicable laws and regulations in the PRC in respect of its business operations. During the Reporting Period, the Group had not been and was not involved in any non-compliance incidents that led to fines, enforcement action or other penalties that could, individually or in the aggregate, have a material adverse effect on the Group's business, financial condition or results of operations, and the Group had been in compliance with applicable laws and regulations in all material respects.

## Important Events after December 31, 2025

Save as otherwise disclosed in this annual report (including Note 35 to the Consolidated Financial Statements), there were no other significant events affecting the Group which occurred after December 31, 2025 and up to the Latest Practicable Date.

# Report of the Board of Directors

## Weighted Voting Rights

The Company is controlled through weighted voting rights. Each Class A Share has ten votes per share and each Class B Share has one vote per share except with respect to resolutions regarding a limited number of Reserved Matters, where each Share has one vote. The Company's weighted voting rights structure will enable the WVR Beneficiaries to exercise voting control over the Company notwithstanding the WVR Beneficiaries do not hold a majority economic interest in the share capital of the Company. This allows the Company to benefit from the continuing vision and leadership of the WVR Beneficiaries who will control the Company with a view to its long-term prospects and strategy.

Shareholders and prospective investors are advised to be aware of the potential risks of investing in companies with weighted voting rights structures, in particular that interests of the WVR Beneficiaries may not necessarily always be aligned with those of the Shareholders as a whole, and that the WVR Beneficiaries will be in a position to exert significant influence over the affairs of the Company and the outcome of Shareholders' resolutions, irrespective of how other Shareholders vote. Prospective investors should make the decision to invest in the Company only after due and careful consideration.

As of the Latest Practicable Date, the WVR Beneficiaries are Mr. SU Hua and Mr. CHENG Yixiao.

- (1) Mr. SU Hua is interested in and controls, through Reach Best, 347,135,393 Class A Shares and 80,334,128 Class B Shares, representing approximately 9.83% of the Company's total issued share capital, approximately 9.83% of the voting rights in the Company with respect to shareholder resolutions in relation to the Reserved Matters, and approximately 33.76% with respect to matters other than the Reserved Matters.
- (2) Mr. CHENG Yixiao is interested and controls, through Ke Yong, 338,767,480 Class A Shares and 43,770,873 Class B Shares, representing approximately 8.80% of the Company's total issued share capital, approximately 8.80% of the voting rights in the Company with respect to shareholder resolutions in relation to the Reserved Matters, and approximately 32.62% with respect to matters other than the Reserved Matters.

Class A Shares may be converted into Class B Shares on a one to one ratio. As of the Latest Practicable Date, upon the conversion of all the issued and outstanding Class A Shares into Class B Shares, the Company will issue 685,902,873 Class B Shares, representing approximately 15.78% of the total number of issued and outstanding Class B Shares as of the Latest Practicable Date.

# Report of the Board of Directors

The weighted voting rights attached to Class A Shares will cease when none of the WVR Beneficiaries have beneficial ownership of any of the Class A Shares, in accordance with Rule 8A.22 of the Listing Rules. This may occur:

- (1) upon the occurrence of any of the circumstances set out in Rule 8A.17 of the Listing Rules, in particular where both WVR Beneficiaries are: (1) deceased; (2) no longer members of the Board; (3) deemed by the Stock Exchange to be incapacitated for the purpose of performing their duties as directors; or (4) deemed by the Stock Exchange to no longer meet the requirements of directors set out in the Listing Rules;
- (2) when the holders of Class A Shares have transferred to other persons the beneficial ownership of, or economic interest in, all of the Class A Shares or the voting rights attached to them, other than in the circumstances permitted by Rule 8A.18 of the Listing Rules;
- (3) where the vehicles holding Class A Shares on behalf of both WVR Beneficiaries no longer comply with Rule 8A.18(2) of the Listing Rules; or
- (4) when all of the Class A Shares have been converted to Class B Shares.

## DIRECTORS AND SENIOR MANAGEMENT

The Directors during the Reporting Period and up to the date of this annual report are:

### Executive Directors

Mr. CHENG Yixiao (程一笑) (*Chairman of the Board*)  
Mr. SU Hua (宿華)

### Non-executive Directors

Mr. LI Zhaohui (李朝暉)  
Mr. ZHANG Fei (張斐)  
Mr. LIN Frank (林欣禾) (*alias LIN Frank Hurst*)(*resigned with effect from January 22, 2025*)  
Mr. WANG Huiwen (王慧文)

### Independent Non-executive Directors

Mr. HUANG Sidney Xuande (黃宣德)  
Mr. MA Yin (馬寅)  
Prof. XIAO Xing (肖星) (*resigned with effect from April 28, 2025*)  
Ms. LU Rong (盧蓉) (*appointed with effect from April 28, 2025*)

## Report of the Board of Directors

The biographical details of the Directors are set out in “— Biographical Details and Other Information of the Directors” below.

In accordance with the Articles of Association, all Directors are subject to retirement by rotation at least once every three years and any new Director appointed by the Board to fill a casual vacancy or as an addition to the Board shall hold office only until the first annual general meeting of the Company after his/her appointment. All of them are being eligible for re-election at the 2026 AGM. Details of the Directors to be re-elected at the 2026 AGM are set out in the circular to the Shareholders to be dispatched (if requested) in due course.

### Confirmation of Independence of Independent Non-executive Directors

The Company has received, from each of the independent non-executive Directors, a confirmation of his/her independence pursuant to the independence guidelines as set out in Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors to be independent.

### Biographical Details and Other Information of the Directors

We set forth below the updated biographical details and other information of the Directors.

#### Executive Directors

##### Mr. CHENG Yixiao (程一笑先生)

**Mr. CHENG Yixiao**, aged 42, is our co-founder, executive Director, Chairman of the Board and Chief Executive Officer. He is also a member of the Nomination Committee and holds directorship in certain subsidiaries of the Group. Mr. CHENG is responsible for formulating the Group’s long-term strategies, overseeing the management of the business and operations of the Group, including leading the day-to-day operations, supervising product-related matters and strategic investments and acquisitions of the Group.

Prior to founding the Group in 2011, Mr. CHENG was a software engineer and developer at Hewlett-Packard from August 2007 to July 2009, and worked at Renren Inc. (a company listed on the New York Stock Exchange with stock symbol of RENN) from September 2009 to February 2011. “*GIF Kuaishou*”, our original mobile app for users to create and share animated images, was launched by Mr. CHENG in 2011.

Mr. CHENG received his bachelor’s degree in software engineering from the Software College of Northeastern University in Liaoning Province, the PRC, in July 2007.

## Report of the Board of Directors

### Mr. SU Hua (宿華先生)

**Mr. SU Hua**, aged 43, is our co-founder and executive Director. He is also a member of the Remuneration Committee and holds directorship in certain subsidiaries of the Group. Mr. SU is responsible for contributing long-term value to the Group.

Mr. SU joined the Group in November 2013. Prior to that, Mr. SU worked as an engineer at Google China from December 2006 to October 2008, and Baidu, Inc. from January 2010 to May 2011.

Mr. SU received his bachelor's degree in computer software from the School of Software, Tsinghua University in Beijing, the PRC, in July 2005.

### *Non-executive Directors*

### Mr. LI Zhaohui (李朝暉先生)

**Mr. LI Zhaohui**, aged 50, is a non-executive Director. He is also a member of the Remuneration Committee. Mr. LI joined the Group in March 2017 and is primarily responsible for providing professional advice to the Board.

Mr. LI joined Tencent Holdings Limited (a company listed on the Stock Exchange with stock code of 700) in 2011, and currently serves as the managing partner of Tencent Investment and the vice president of Tencent. He was an investment principal at Bertelsmann Asia Investment Fund from September 2008 to May 2010.

Mr. LI also holds directorships at various other companies. He has been a non-executive director of KE Holdings Inc. (a company listed on the New York Stock Exchange with stock symbol of BEKE and on the Stock Exchange with stock code of 2423) since December 2018. He has been a non-executive director of Zhihu Inc. (a company listed on the New York Stock Exchange with stock symbol of ZH and on the Stock Exchange with stock code of 2390) since September 2015. He was previously a director of Howbuy Wealth Management Co., Ltd. (a company whose shares are quoted on the National Equities Exchange and Quotations with stock code of 834418) from December 2013 to August 2022, and a non-executive director of Fenbi Ltd. (a company listed on the Stock Exchange with stock code of 2469) from December 2020 to March 2023.

Mr. LI received his bachelor's degree in economics (majoring in enterprise management) from Peking University in Beijing, the PRC, in July 1998 and his MBA degree from Duke University Fuqua School of Business in North Carolina, the United States, in May 2004.

## Report of the Board of Directors

### Mr. ZHANG Fei (張斐先生)

**Mr. ZHANG Fei**, aged 53, is a non-executive Director. He is also a member of the Nomination Committee. Mr. ZHANG joined the Group in February 2014 and is primarily responsible for participating in the formulation of business plans and strategic and major decisions of the Group.

Mr. ZHANG has over 20 years of venture capital experience, with a focus in the areas of AI/cloud computing, social/digital media and entertainment, and electric vehicle/autonomous driving. He was a partner at Ceyuan Ventures (策源創投) in Beijing from 2004 to 2007, where he set up and managed a venture fund and led investments in multiple portfolios. Since January 2011, Mr. ZHANG was a partner of 5Y Capital (formerly known as Morningside Venture Capital). Around 2016, he founded and has been a fund manager and the Responsible Officer of Neumann Advisory Hong Kong Limited, a SFC Type 9 licensed corporation. Mr. ZHANG has been a director of Pony AI Inc. (a company listed on Nasdaq with stock symbol of PONY and on the Stock Exchange with stock code of 2026) since December 2017.

Mr. ZHANG received his bachelor's degree of engineering in automation and control from the Shanghai Jiao Tong University in Shanghai, the PRC, in July 1994, and his MBA degree from the China Europe International Business School in Shanghai, the PRC, in May 1999.

### Mr. LIN Frank (林欣禾先生) (*alias LIN Frank Hurst*)

**Mr. LIN Frank**, aged 61, has resigned as a non-executive Director with effect from January 22, 2025. For details, please refer to the announcement of the Company dated January 22, 2025.

### Mr. WANG Huiwen (王慧文先生)

**Mr. WANG Huiwen**, aged 47, is a non-executive Director. Mr. WANG had been an independent non-executive Director and re-designated as a non-executive Director with effect from May 2023. He joined the Group in February 2021 and is primarily responsible for strategic planning, major business decisions, and corporate governance of the Group.

## Report of the Board of Directors

Mr. WANG has over 10 years of managerial and operational experience in the internet industry. In December 2005, he co-founded xiaonei.com. xiaonei.com was sold to China InterActive Corp in October 2006, which was later renamed as Renren Inc. (a company listed on the New York Stock Exchange with stock symbol of RENN). In January 2009, he co-founded taofang.com and worked there from June 2008 to October 2010. In 2010, Mr. WANG co-founded Meituan (a company listed on the Stock Exchange with stock code of 3690) and served as its executive director from October 2015 to March 2023, and served as its non-executive director from March 2023 to June 2023.

Mr. WANG received his bachelor's degree in electronic engineering from Tsinghua University in Beijing, the PRC, in July 2001.

### *Independent Non-executive Directors*

#### **Mr. HUANG Sidney Xuande (黃宣德先生)**

**Mr. HUANG Sidney Xuande**, aged 60, is an independent non-executive Director. He is also the chairman of both Audit Committee and Remuneration Committee, and a member of the Nomination Committee and Corporate Governance Committee. He joined the Group in February 2021 and is primarily responsible for providing independent judgment to the Board.

Mr. HUANG has over 20 years of experience in the technology and internet industry. He is currently a senior advisor of JD.com, Inc. (a company listed on Nasdaq with stock symbol of JD and its secondary listing on the Stock Exchange with stock code of 9618) and was its chief financial officer from September 2013 until his retirement in September 2020.

Mr. HUANG has served as an independent non-executive director of HashKey Holdings Limited (a company listed on the Stock Exchange with stock code of 3887) since December 2025, MIXUE Group (a company listed on the Stock Exchange with stock code of 2097) since December 2023, and Tuya Inc. (a company listed on the New York Stock Exchange with stock symbol of TUYA and on the Stock Exchange with stock code of 2391) since July 2022. He was also an independent director of Yatsen Holding Limited (a company listed on the New York Stock Exchange with stock symbol of YSG) from November 2020 to February 2026.

Mr. HUANG previously served as chief financial officer of VancelInfo Technologies Inc. and its successor company, Pactera Technology International Ltd., from July 2006 to September 2013. He was also the chief operating officer of VancelInfo Technologies Inc. from 2008 to 2010 and the co-president from 2011 to 2012. He also served as chief financial officer at two China-based companies in the technology and internet sectors between August 2004 and March 2006. He was an investment banker at Citigroup Global Markets Inc. in New York from August 2002 to July 2004. He held various positions including audit manager at KPMG LLP from January 1997 to August 2000 and qualified as a Certified Public Accountant in the State of New York in October 1999.

Mr. HUANG is currently a Foundation Fellow and was an Academic Visitor focusing on geoeconomics from October 2021 to September 2022 at St Antony's College of Oxford University in the United Kingdom. He received his bachelor's degree in accounting from Bernard M. Baruch College of The City University of New York in the United States, in February 1997, and his MBA degree from the Kellogg School of Management at Northwestern University in the United States, in June 2002.

## Report of the Board of Directors

### Mr. MA Yin (馬寅先生)

**Mr. MA Yin**, aged 51, is an independent non-executive Director. He is also the chairman of both Nomination Committee and Corporate Governance Committee, and a member of the Audit Committee and the Remuneration Committee. He joined the Group in February 2021 and is primarily responsible for providing independent judgment to the Board.

Mr. MA has been the general manager of Aranya Holdings Group Co., Ltd. (阿那亞控股集團有限公司) since February 2014. From April 2006 to September 2013, Mr. MA served various managerial roles at Yeland Group Co., Ltd. (億城集團股份有限公司, subsequently renamed HNA Investment Group Co., Ltd. (海航投資集團股份有限公司) in 2015, and is a company listed on the Shenzhen Stock Exchange with stock code of 000616), including vice president, executive vice president, and president. He was a director of HNA Investment Group Co., Ltd. (海航投資集團股份有限公司) from April 2007 to September 2013.

Mr. MA received his executive MBA degree from Peking University in Beijing, the PRC, in July 2009.

### Prof. XIAO Xing (肖星教授)

**Prof. XIAO Xing**, aged 55, has resigned as an independent non-executive Director with effect from April 28, 2025. For details, please refer to the announcement of the Company dated April 28, 2025.

### Ms. LU Rong (盧蓉女士)

**Ms. LU Rong**, aged 55, is an independent non-executive Director. She is also a member of the Audit Committee, the Remuneration Committee, the Nomination Committee and the Corporate Governance Committee. Ms. LU joined the Group in April 2025 and is primarily responsible for providing independent judgment to the Board.

Ms. LU is a venture capitalist investing in technology start-ups in the United States and China. She has been the founder of Atypical Ventures, an early stage venture capital firm, since 2019. In 2006, she co-founded and managed DCM China, a technology venture capital firm. Ms. LU served as a vice president at Goldman Sachs & Co. from 1996 to 2003.

Ms. LU also holds directorships in various listed companies. She has been an independent director of Volvo Car AB (a company listed on Nasdaq Stockholm with stock symbol of VOLCAR-B) since April 2023. She has been a non-executive director of Unilever PLC (a company listed on the London Stock Exchange with stock symbol of ULVR and on the New York Stock Exchange with stock symbol of UL) since November 2021. She has been an independent director of Yum China Holdings, Inc. (a company listed on the New York Stock Exchange with stock symbol of YUMC and on the Stock Exchange with stock code of 9987) since October 2016, and Uxin Limited (a company listed on Nasdaq with stock symbol of UXIN) from October 2017 to May 2025.

Ms. LU received her bachelor's degree in economics from the University of Maryland, Baltimore County in the State of Maryland, the United States in May 1994, and her master's degree in economics from the Johns Hopkins University in the State of Maryland, the United States in May 1996.

# Report of the Board of Directors

## Biographical Details and Other Information of the Senior Management

We set forth below the updated biographical details and other information of our senior management members.

### Mr. CHENG Yixiao (程一笑先生)

**Mr. CHENG Yixiao**, aged 42, is our co-founder, executive Director, Chairman of the Board and Chief Executive Officer. For details, see “— Biographical Details and Other Information of the Directors — Executive Directors” above.

### Mr. SU Hua (宿華先生)

**Mr. SU Hua**, aged 43, is our co-founder and executive Director. For details, see “— Biographical Details and Other Information of the Directors — Executive Directors” above.

### Mr. JIN Bing (金秉先生)

**Mr. JIN Bing**, aged 48, is the chief financial officer of the Company. He joined the Group in January 2022 and is primarily responsible for overall finance (accounting, financial management, etc.), internal audit, and capital market activities of the Group.

Mr. JIN has strong and diversified financial background and experience. From August 2010 to March 2014, Mr. JIN worked at Citi’s China Investment Banking Department. From March 2014 to April 2017, Mr. JIN served several positions including as the Head of China Technology of Investment Banking and Capital Markets, Asia Pacific, at Credit Suisse, where he worked with many listed and private Chinese technology companies for various financing and mergers and acquisitions transactions. From May 2017 to April 2021, Mr. JIN served as the chief financial officer of Joyy Inc. (formerly known as YY Inc., a company listed on Nasdaq with stock symbol of YY). From May 2021 to January 2022, Mr. JIN served as the chief financial officer of Zuoyebang. He also previously worked in other areas including consulting and corporate banking.

Mr. JIN received his bachelor’s degree in English from Beijing Foreign Studies University, the PRC, in June 2000, his master’s degree in Pacific International Affairs from the University of California, San Diego, the United States, in June 2004, and his MBA degree from the Wharton School of the University of Pennsylvania, the United States, in May 2010.

### Mr. YIN Xin (銀鑫先生)

**Mr. YIN Xin**, aged 41, is one of the founding team members of the Group. Mr. YIN also holds directorship in certain subsidiaries of the Group. He is primarily responsible for centralized procurement, administration, IT center and infrastructure construction of the Group.

Mr. YIN joined the Group in 2012. He has been in charge of, among others, server-side research and development, software and hardware architecture, system maintenance, and investment and business proposals. Prior to joining the Group, Mr. YIN has accumulated a deep understanding and experience in the technology and internet industry and worked at Renren Inc. (a company listed on the New York Stock Exchange with stock symbol of RENN) from September 2009 to March 2012.

Mr. YIN received his bachelor’s degree in software engineering in July 2007 and his master’s degree in software engineering in July 2009, both from the Northeastern University in Liaoning Province, the PRC.

## Report of the Board of Directors

### Mr. YANG Yuanxi (楊遠熙先生)

**Mr. YANG Yuanxi**, aged 41, is one of the founding team members of the Group. Mr. YANG also holds directorship in certain subsidiaries of the Group. He is primarily responsible for corporate social responsibility and content security of the Group.

Mr. YANG joined the Group in 2011. He has been in charge of, among others, Android client-side research and development, internal data platform development, business development for user growth, and overseas new product initiatives. Prior to joining the Group, Mr. YANG worked at Hewlett-Packard from August 2007 to August 2009. He served at Deke Software (Dalian) Limited Company, a China-based company engaged in internet and technology business, from September 2009 to September 2010. He also worked at Huawei from October 2010 to December 2011.

Mr. YANG received his bachelor's degree in computer science and technology from Dalian University of Technology in Liaoning Province, the PRC, in July 2007.

### Directors' Service Contracts and Appointment Letters

#### *Executive Directors*

Each of the executive Directors has entered into a service contract with the Company for a term of three years from January 1, 2026 to December 31, 2028, subject to retirement as and when required under the Articles of Association. The service contract could be terminated in accordance with its terms and conditions or by either party giving to the other not less than three months' prior notice in writing. No annual director's fees are payable to the executive Directors under the current arrangement.

#### *Non-executive Directors*

Each of Mr. LI Zhaohui and Mr. ZHANG Fei, as a non-executive Director, has entered into an appointment letter with the Company for a term of three years from January 1, 2024 to December 31, 2026. Mr. WANG Huiwen, as a non-executive Director, has entered into an appointment letter with the Company for a term of three years, from January 1, 2026 to December 31, 2028. Their appointments shall be subject to retirement as and when required under the Articles of Association. The appointment letter could be terminated in accordance with its terms and conditions or by either party giving to the other not less than one month's prior notice in writing. Under these appointment letters, except for Mr. WANG Huiwen who is entitled to an annual director's fee of HK\$500,000, the other non-executive Directors are not entitled to receive annual fees in their capacity as non-executive Directors.

#### *Independent Non-executive Directors*

Each of Mr. HUANG Sidney Xuande and Mr. MA Yin, as an independent non-executive Director, has entered into an appointment letter with the Company for a term of three years from January 1, 2024 to December 31, 2026. Ms. LU Rong, as an independent non-executive Director, has entered into an appointment letter with the Company for a term of three years from April 28, 2025 to April 27, 2028. Their appointments shall be subject to retirement as and when required under the Articles of Association. The appointment letter could be terminated in accordance with its terms and conditions or by either party giving to the other not less than one month's prior notice in writing. Under these appointment letters, each of the independent non-executive Directors will receive an annual director's fee of HK\$750,000.

## Report of the Board of Directors

Save as disclosed above, none of the Directors (including the Directors proposed for re-election at the 2026 AGM) has a service contract with members of the Group that is not determinable by the Group within one year without the payment of compensation (other than statutory compensation).

Details of the emoluments of the Directors during the Reporting Period are set out in Note 9(b) to the Consolidated Financial Statements in this annual report.

### Directors' Interests in Transactions, Arrangements and Contracts of Significance

Save as disclosed in Note 9(b)(v) to the Consolidated Financial Statements in this annual report and in “— Connected Transactions” in this section below, to the best knowledge of the Directors, none of the Directors or any entity connected with a Director, is or was materially interested, either directly or indirectly, in any transaction, arrangement or contract of significance to which the Company or any of its subsidiaries or fellow subsidiaries was a party subsisting during or at the end of the year ended December 31, 2025.

### Directors' Rights to Acquire Shares or Debentures

Save as disclosed in “— Pre-IPO and Post-IPO Share Incentive Plans” in this section below, at no time during or at the end of the year ended December 31, 2025 were rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company or any of its subsidiaries or any of its holding companies or any of subsidiaries of its holding companies a party to any arrangement to enable the Directors, or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate.

### Directors' Interest in Competing Business

Save as disclosed in this annual report and except for the interests of the Controlling Shareholders in the Group, during the Reporting Period, neither the Controlling Shareholders nor any of the Directors had any interest in a business, apart from the business of the Group, which competes or is likely to compete, directly or indirectly, with the Group's business, which would require disclosure under Rule 8.10 of the Listing Rules.

### Emolument Policy

The remuneration of the Directors is paid in the form of salaries, allowances, benefits in kind, pension scheme contributions and share-based payments.

The Company has established the Remuneration Committee in compliance with Rule 3.25 of the Listing Rules and with written terms of reference in compliance with the Corporate Governance Code. The primary duties of the Remuneration Committee are to review and make recommendations to the Board regarding the terms of remuneration packages, bonuses and other compensation payable to the Directors and senior management, having regard to the factors such as the level of remuneration paid by comparable companies, the time commitment and responsibilities of the Directors and senior management, and the employment conditions of the Group.

The Directors and the senior management members are eligible participants of the Pre-IPO ESOP, Post-IPO Share Option Scheme, Post-IPO RSU Scheme and 2023 Share Incentive Scheme.

## Report of the Board of Directors

None of the Directors waived or agreed to waive any remuneration and there were no emoluments paid by the Group to any of the Directors as an inducement to join, or upon joining the Group, or as compensation for the loss of office.

Details of the emoluments of the Directors, and five highest paid individuals during the Reporting Period are set out in Note 9 to the Consolidated Financial Statements in this annual report.

### Retirement and Employee Benefits Scheme

Details of the retirement and employee benefits scheme of the Company are set out in Note 9 to the Consolidated Financial Statements in this annual report.

### Permitted Indemnity Provision

A permitted indemnity provision for the benefit of the Directors is currently in force. Pursuant to article 39.1 of the Articles of Association, a Director is entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him as a Director in defending any proceedings, whether civil or criminal, in which judgment is given in his favor, or in which he is acquitted. The Company has taken out and maintained appropriate insurance coverage in respect of potential legal actions against its Directors and officers.

### Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or any of its Associated Corporations

In accordance with the archiving notice submitted through the Disclosure of Interests Online (DION) System, as far as the Directors were aware and as of December 31, 2025, the interests or short positions of the Directors and the chief executive in any Shares, underlying Shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO), which shall be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which have been taken or deemed to have been taken under such provisions of the SFO) or which is required, pursuant to Section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which is required to be notified to the Company and the Stock Exchange pursuant to the Model Code contained in the Listing Rules, is set forth below:

## Report of the Board of Directors

### (a) Interest in Shares of the Company

Name of Director or chief executive	Capacity/ Nature of interest <sup>(1)</sup>	Relevant company	Number and class of shares held	Approximate percentage of shareholding of relevant class of shares in the Company <sup>(2)</sup>	Approximate percentage of shareholding in the issued and outstanding share capital of the Company <sup>(2)</sup>
Mr. SU Hua <sup>(3)</sup>	Founder and settlor of a trust (L)	Vistra Trust (Singapore) Pte. Limited	363,811,969	51.78%	8.42%
			Class A Shares		
			63,657,552	1.76%	1.47%
	Founder and settlor of a trust (S)		110,000,000	3.04%	2.55%
			Class B Shares		
	Interest in controlled corporations (L)	Reach Best	363,811,969	51.78%	8.42%
Class A Shares					
63,657,552			1.76%	1.47%	
Interest in controlled corporations (S)		110,000,000	3.04%	2.55%	
		Class B Shares			
Beneficial interest (L)	—	5,699,103	0.16%	0.13%	
Mr. CHENG Yixiao <sup>(4)</sup>	Founder and settlor of a trust (L)	Vistra Trust (Singapore) Pte. Limited	338,767,480	48.22%	7.84%
			Class A Shares		
			43,770,873	1.21%	1.01%
	Interest in controlled corporations (L)	Ke Yong	338,767,480	48.22%	7.84%
			Class A Shares		
	Beneficial interest (L)	—	43,770,873	1.21%	1.01%
Class B Shares					
Mr. ZHANG Fei <sup>(5)</sup>	Founder of a trust (L)	Trust	16,246,756	0.45%	0.38%
			Class B Shares		
			26,728,522	0.74%	0.62%
			Class B Shares		

# Report of the Board of Directors

*Notes:*

- (1) The letter “L” denotes long position, and the letter “S” denotes short position.
- (2) As of December 31, 2025, the Company had 4,319,480,283 issued and outstanding share capital in total, comprising 702,579,449 Class A Shares and 3,616,900,834 Class B Shares.
- (3) The entire interest in Reach Best is held by an entity wholly owned by Vistra Trust (Singapore) Pte. Limited as trustee for a trust established by Mr. SU Hua (as settlor) for the benefit of Mr. SU Hua and his family. Mr. SU Hua is deemed to be interested in the 363,811,969 Class A Shares and 63,657,552 Class B Shares in long position and 110,000,000 Class B Shares in short position held by Reach Best under the SFO as of December 31, 2025.
- As of December 31, 2025, Mr. SU Hua is also deemed to be interested in the 5,699,103 outstanding and unexercised options underlying Class B Shares pursuant to the Pre-IPO ESOP.
- (4) The entire interest in Ke Yong is held by an entity wholly owned by Vistra Trust (Singapore) Pte. Limited as trustee for a trust established by Mr. CHENG Yixiao (as settlor) for the benefit of Mr. CHENG Yixiao and his family. Mr. CHENG Yixiao is deemed to be interested in the 338,767,480 Class A Shares and 43,770,873 Class B Shares held by Ke Yong under the SFO as of December 31, 2025.
- As of December 31, 2025, Mr. CHENG Yixiao is also deemed to be interested in the 16,246,756 outstanding and unexercised options underlying Class B Shares pursuant to the Post-IPO Share Option Scheme.
- (5) Mr. ZHANG Fei is deemed to be interested in the 26,728,522 Class B Shares held by an entity controlled by the trustee of a discretionary trust, of which Mr. ZHANG Fei is a founder, under the SFO as of December 31, 2025.

## (b) Interest in associated corporations

Name of Director or chief executive	Nature of interest <sup>(1)</sup>	Associated corporations	Amount of registered capital (RMB)	Percentage of shareholding in the associated corporation <sup>(2)</sup>
Mr. SU Hua	Beneficial interest (L)	Hangzhou Youqu <sup>(3)</sup>	10,000,000	90.00%
		Beijing One Smile <sup>(4)</sup>	10,000,000	32.32%
Mr. CHENG Yixiao	Beneficial interest (L)	Beijing One Smile <sup>(4)</sup>	10,000,000	25.86%

*Notes:*

- (1) The letter “L” denotes long position.
- (2) The calculation is based on the registered capital of Hangzhou Youqu and Beijing One Smile, respectively.
- (3) Hangzhou Youqu is a Consolidated Affiliated Entity and is owned as to 90% and 10% by Mr. SU Hua and Ms. PENG Xiaochun, respectively.
- (4) Beijing One Smile is a Consolidated Affiliated Entity and is owned as to (i) 32.32% by Mr. SU Hua, (ii) 29.24% by Mr. YANG Yuanxi, (iii) 25.86% by Mr. CHENG Yixiao, and (iv) 12.58% by Mr. YIN Xin.

## Report of the Board of Directors

Save as disclosed above, as far as the Directors are aware and as of December 31, 2025, none of the Directors or the chief executive of the Company had or was deemed to have any interest or short position in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or required to be recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

### Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares

In accordance with the archiving notice submitted through the Disclosure of Interests Online (DION) System, as far as the Directors were aware and as of December 31, 2025, the following persons (other than the Directors and chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be maintained by the Company pursuant to Section 336 of the SFO:

Name	Nature of interest <sup>(1)</sup>	Number and class of shares held	Approximate percentage of shareholding of relevant class of shares in the Company <sup>(2)</sup>	Approximate percentage of shareholding in the issued and outstanding share capital of the Company <sup>(2)</sup>
<b>Class B Shares</b>				
Tencent Holdings Limited <sup>(3)</sup>	Interest in controlled corporations (L)	678,583,107 Class B Shares	18.76%	15.71%
Tencent Mobility Limited <sup>(3)</sup>	Beneficial interest (L)	506,143,854 Class B Shares	13.99%	11.72%
BlackRock, Inc. <sup>(4)</sup>	Interest in controlled corporations (L)	209,857,213 Class B Shares	5.80%	4.86%
	Interest in controlled corporations (S)	148,700 Class B Shares	0.004%	0.003%

# Report of the Board of Directors

## Notes:

- (1) The letter “L” denotes long position, and the letter “S” denotes short position.
- (2) As of December 31, 2025, the Company had 4,319,480,283 issued and outstanding share capital in total, comprising 702,579,449 Class A Shares and 3,616,900,834 Class B Shares.
- (3) Tencent Holdings Limited was interested in 678,583,107 Class B Shares through its various subsidiaries or entities controlled by it, including 506,143,854 Class B Shares directly held by Tencent Mobility Limited.
- (4) BlackRock, Inc. was interested in 209,857,213 Class B Shares in long position and 148,700 Class B Shares in short position through its various subsidiaries or entities controlled by it, which included 3,176,600 underlying Class B Shares in long position and 124,100 underlying Class B Shares in short position through its holding of certain unlisted derivatives (cash settled).

Save as disclosed above, as of December 31, 2025, the Directors were not aware of any person (who were not Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be recorded in the register referred to therein.

## PRE-IPO AND POST-IPO SHARE INCENTIVE PLANS

### Pre-IPO ESOP

The following is a summary of the principal terms of the amended and restated share incentive plan of the Company as approved and adopted pursuant to the written resolutions of all Shareholders dated February 6, 2018. The terms of the Pre-IPO ESOP are not subject to the provisions of Chapter 17 of the Listing Rules. For detailed information of share options granted to the Directors, members of the senior management and other connected persons of the Company under the Pre-IPO ESOP, please refer to “Statutory and General Information — 4. Pre-IPO ESOP” in Appendix V of the Prospectus.

### Purpose

The purpose of the Pre-IPO ESOP is to promote the success of the Company and the interests of its Shareholders by providing a means through which the Company may grant equity-based incentives to attract, motivate, retain and reward certain officers, employees, Directors and other eligible persons and to further link the interests of award recipients under the Pre-IPO ESOP with those of the Shareholders generally.

### Selected participants to the Pre-IPO ESOP

Awards under the Pre-IPO ESOP may be granted only to those persons that the Administrator (as defined below) determines to be Eligible Persons. An “Eligible Person” means any person who qualifies as one of the following at the time of grant of the respective Award (as defined below):

- (a) an officer (whether or not a Director) or employee of the Company or any of its affiliates;
- (b) any member of the Board; or
- (c) any director of one of the Company’s affiliates, or any individual consultant or advisor who renders or has rendered bona fide services (other than services in connection with the offering or sale of securities of the Company or one of its affiliates, as applicable, in a capital raising transaction or as a market maker or promoter of that entity’s securities) to the Company or one of its affiliates.

## Report of the Board of Directors

An advisor or consultant may be selected as an Eligible Person pursuant to paragraph (c) above only if such person's participation in the Pre-IPO ESOP would not adversely affect the Company's compliance with any applicable laws. Subject to the provisions of the Pre-IPO ESOP, the Administrator may, from time to time, select from among all Eligible Persons to whom Awards in the form of options ("**Options**") and restricted share awards ("**Restricted Shares**") (collectively "**Awards**") shall be granted and shall determine the nature and amount of each option.

### *Maximum number of shares*

The maximum aggregate number of Shares which may be issued is 711,946,697, subject to any adjustments for other dilutive issuances, representing approximately 16.38% of the issued share capital of the Company (excluding treasury shares) as of the date of this annual report.

### *Maximum Entitlement of a Grantee*

There is no maximum entitlement of each participant under the Pre-IPO ESOP.

### *Administration*

The Pre-IPO ESOP is administered by and all Awards under the Pre-IPO ESOP are authorized by the Administrator. The "**Administrator**" under the Pre-IPO ESOP means the Board or a committee of the Board to administer all or certain aspects of the Pre-IPO ESOP. Any such committee shall be comprised solely of one or more Directors or such number of Directors as may be required under applicable laws and the Memorandum and Articles of Association. The Board or the committee, as the case may be, may delegate its powers under the Pre-IPO ESOP or different levels of authority to different committees or one or more officers of the Company to the extent permitted by the Companies Act and any other applicable laws. Pursuant to the delegation of power and authority, actions by such committees or officers shall constitute actions by the Administrator. Unless otherwise provided in the Memorandum and Articles of Association or the applicable charter of any Administrator: (a) a majority of the members of the acting Administrator shall constitute a quorum, and (b) the vote of a majority of the members present assuming the presence of a quorum or the unanimous written consent of the members of the Administrator shall constitute action by the acting Administrator.

Subject to the express provisions of the Pre-IPO ESOP, the Administrator is authorized and empowered to do all things it deems necessary or desirable in connection with the authorization of Awards and the administration of the Pre-IPO ESOP (in the case of a committee(s) or delegation to one or more officers, within the authority delegated to that committee(s) or person(s)).

### *Grant of Awards*

The Administrator is authorized to approve and grant Awards to participants in accordance with the terms of the Pre-IPO ESOP. Awards granted will be evidenced by an agreement ("**Award Agreement**") between the Company and the participant in the form approved by the Administrator. The Award Agreement evidencing an Award shall contain the terms established by the Administrator for that Award, as well as any other terms, provisions, or restrictions that the Administrator may impose on the Award; in each case subject to the applicable provisions and limitations under the Pre-IPO ESOP. The Administrator may require that the recipient of an Award promptly execute and return to the Company his or her Award Agreement evidencing the Award. In addition, the Administrator may require that the spouse of any married recipient of an Award also promptly execute and return to the Company the Award Agreement evidencing the Award granted to the recipient or such other spousal consent form that the Administrator may require in connection with the grant of the Award. There is no amount payable on application or acceptance of the Awards that is specified under the terms of the Pre-IPO ESOP.

# Report of the Board of Directors

## Options

### (a) Exercise price

Subject to the following provisions under the Pre-IPO ESOP, the Administrator will determine the purchase price per share of the ordinary shares covered by each Option (the “**exercise price**” of the Option) at the time of the grant of the Option, which will be set out in the applicable Award Agreement subject to certain pricing limit as set out in the Pre-IPO ESOP.

### (b) Payment

The Company will not be obligated to deliver certificates for the ordinary shares to be purchased on exercise of an Option unless and until it receives full payment of the exercise price therefor, all related withholding obligations have been satisfied, and all other conditions to the exercise of the Option set forth in the Pre-IPO ESOP or in the Award Agreement have been satisfied. The purchase price of any ordinary shares purchased on exercise of an Option must be paid in full at the time of each purchase in such lawful consideration as may be permitted or required by the Administrator.

### (c) Vesting and Term

The Administrator will determine the vesting and/or exercisability provisions of each Option (which may be based on performance criteria, passage of time or other factors or any combination thereof), which provisions will be set out in the applicable Award Agreement. Unless the Administrator otherwise expressly provides, once exercisable an Option will remain exercisable until the expiration or earlier termination of the Option. To the extent required to satisfy applicable securities laws and subject to early termination as set out the Pre-IPO ESOP, no Option (except an Option granted to an officer, Director, or consultant of the Company or any of its Affiliates) shall vest at a rate of less than 20% per year over five years after the date the Option is granted unless otherwise provided by the Administrator.

Each Option shall expire not more than 10 years after its date of grant, subject to earlier termination as provided in or pursuant to the Pre-IPO ESOP. Any payment of cash or allotment of shares in payment for or pursuant to an Option may be delayed until a future date if specifically authorized by the Administrator in writing and by the participant.

### (d) Exercise

The Option, to the extent then vested, shall become exercisable upon the earlier of (i) the Listing Date, (ii) the occurrence of a change in control event (as defined under the Pre-IPO ESOP); except that, the Administrator, subject to applicable laws and regulations, expressly provides that the Option could also become exercisable during one or several window periods before either of the dates mentioned above. Any exercisable Option will be deemed to be exercised when the Company receives written notice of such exercise from the participant (on a form and in such manner as may be required by the Administrator), together with any required payment and any written statement required under the Pre-IPO ESOP.

# Report of the Board of Directors

## Restricted Shares

### (a) Purchase Price

Subject to paragraph (b) below, the Administrator will determine the purchase price per share of the ordinary shares covered by each award of Restricted Shares (“**Share Award**”) at the time of grant of the Award. In no case will such purchase price be less than the par value of the ordinary shares.

### (b) Payment

The Company will not be obligated to record in the Company’s register of members, or issue certificates evidencing, ordinary shares awarded under the Share Award unless and until it receives full payment of the purchase price therefor and all other conditions to the purchase, as determined by the Administrator, have been satisfied, at which point the relevant shares shall be issued and noted in the Company’s register of members. The purchase price of any shares subject to a Share Award must be paid in full at the time of the purchase in such lawful consideration as may be permitted or required by the Administrator.

### (c) Vesting and Term

The restrictions imposed on the ordinary shares subject to a Share Award (which may be based on performance criteria, passage of time or other factors or any combination thereof) will be set out in the applicable Award Agreement. To the extent required to satisfy applicable securities laws, the restrictions imposed on the ordinary shares subject to a Share Award (other than an Award granted to an officer, Director, or consultant of the Company or any of its Affiliates, which may include more restrictive provisions) shall lapse as to such shares, subject to repurchase as set out in the Pre-IPO ESOP, at a rate of at least 20% of the shares subject to the Award per year over the five years after the date the Award is granted.

A Share Award shall either vest or be repurchased by the Company not more than 10 years after the date of grant subject to repurchase and early termination as provided in or pursuant to the Pre-IPO ESOP. Any payment of cash or allotment of shares in payment for a Share Award may be delayed until a future date if specifically authorized by the Administrator in writing and by the participant.

## Duration

The Pre-IPO ESOP was terminated upon the Listing and the Company did not grant further Awards under the Pre-IPO ESOP thereafter, but in all other respects the terms of the Pre-IPO ESOP shall remain in full force and effect and the Awards granted prior to the termination shall continue to be valid and exercisable in accordance with the terms of the Pre-IPO ESOP.

# Report of the Board of Directors

## Outstanding Share Options Granted under the Pre-IPO ESOP

Up to the Listing Date, the Company has granted Options under the Pre-IPO ESOP to 7,020 grantees (including Directors, officer and other employees of the Company) to subscribe for an aggregate of 626,184,514 Shares, a portion of which corresponding to 363,146,799 Shares has been exercised. All these 363,146,799 Shares have been issued as Class B Shares upon the Listing. No consideration has been paid by the grantees for the grant of Options under the Pre-IPO ESOP. For details, please refer to “Statutory and General Information — 4. Pre-IPO ESOP — Outstanding share options granted” in Appendix V of the Prospectus. Up to the Listing Date, the Company has not issued any Restricted Shares under the Pre-IPO ESOP.

There is no Options or Restricted Shares available for grant under the Pre-IPO ESOP upon the Listing.

The table below shows the details of movements of share options granted to each participant or category of participants under the Pre-IPO ESOP:

Name	Date of grant	Vesting period <sup>(1)</sup>	Exercise period	Exercise price (US\$)	Number of Class B Shares underlying Options outstanding as of January 1, 2025	Number of Options exercised during the Reporting Period	Weighted average price of Class B Shares immediately before the dates of exercise (HK\$)	Number of Options cancelled during the Reporting Period	Number of Options lapsed during the Reporting Period	Number of Class B Shares underlying Options outstanding as of December 31, 2025
<b>Director</b>										
Mr. SU Hua	June 30, 2017 to April 1, 2020	4 years	August 6, 2021 to March 31, 2030	0.0422	5,699,103	0	—	0	0	5,699,103
<b>Other grantees</b>										
Employees	December 22, 2014 to January 7, 2021	0-4 years	August 6, 2021 to March 31, 2031	0.0422-16.66	29,090,919	(13,012,524)	56.07	0	(1,268,380)	14,810,015
<b>Total</b>					<b>34,790,022</b>	<b>(13,012,524)</b>		<b>0</b>	<b>(1,268,380)</b>	<b>20,509,118</b>

Note:

<sup>(1)</sup> Vesting period means the total vesting period (i.e. the period between the date of grant and the last vesting date) for the Options granted.

## Post-IPO Share Option Scheme

The Post-IPO Share Option Scheme was approved and adopted by all the then Shareholders on January 18, 2021. The terms of the Post-IPO Share Option Scheme are governed by Chapter 17 of the Listing Rules. The following is a summary of certain principal terms of the Post-IPO Share Option Scheme.

# Report of the Board of Directors

## *Purpose*

The purpose of the Post-IPO Share Option Scheme is to provide selected participants with the opportunity to acquire proprietary interests in the Company and to encourage selected participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and the Shareholders as a whole. The Post-IPO Share Option Scheme will provide the Company with a flexible means of retaining, incentivizing, rewarding, remunerating, compensating and/or providing benefits to selected participants.

## *Selected Participants*

Any individual, being an employee, director, officer, consultant, advisor, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner or service provider of any member of the Group or any affiliate who the Board or its delegate(s) considers, in their sole discretion, to have contributed or will contribute to the Group is entitled to be offered and granted options ("**Options**"). However, no individual who is resident in a place where the grant, acceptance or exercise of options pursuant to the Post-IPO Share Option Scheme is not permitted under the laws and regulations where of such place or, in the view of the Board or its delegate(s), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, is eligible to be offered or granted options.

## *Maximum Entitlement of a Grantee*

Unless approved by the Shareholders, the total number of Class B Shares issued and to be issued upon exercise of the Options granted and to be granted under the Post-IPO Share Option Scheme and any other share option scheme(s) of the Company to each selected participant (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the total number of Class B Shares in issue (the "**Individual Limit**"). Any further grant of Options to a selected participant which would result in the aggregate number of Class B Shares issued and to be issued upon exercise of all Options granted and to be granted to such selected participant (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant exceeding the Individual Limit shall be subject to separate approval of the Shareholders (with such selected participant and his associates abstaining from voting).

## *Grant of Options*

An offer shall be made to selected participants by a letter in duplicate which specifies the terms on which the Option is to be granted. Such terms may include any minimum period(s) for which an Option must be held and/or any minimum performance target(s) that must be achieved, before the Option can be exercised in whole or in part, and may include at the discretion of the Board or its delegate(s) such other terms either on a case basis or generally.

An offer shall be deemed to have been accepted and the Option to which the offer relates shall be deemed to have been granted and to have taken effect when the duplicate of the offer letter comprising acceptance of the offer duly signed by the grantee with the number of Class B Shares in respect of which the offer is accepted clearly stated therein, together with a remittance in favor of the Company of HK\$1.00 by way of consideration for the grant thereof are received by the Company, provided such are received by the Company within 20 business days from the date on which the offer letter is delivered to the grantee.

# Report of the Board of Directors

## *Subscription Price*

The amount payable for each Class B Share to be subscribed for under an Option in the event of the Option being exercised shall be determined by the Board but shall be not less than the greatest of:

- (a) the closing price of a Class B Share as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant;
- (b) the average closing price of the Class B Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; or
- (c) the nominal value of a Class B Share on the date of grant.

## *Vesting of Options*

The Board or its delegate(s) may from time to time while the Post-IPO Share Option Scheme is in force and subject to all applicable laws, determine such vesting criteria and conditions or periods for the Options to be vested.

## *Time of Exercise of an Option*

An Option may, subject to the terms and conditions upon which such Option is granted, be exercised in whole or in part by the grantee at any time or times during the period to be determined and notified by the Board or its delegates to the grantee, which may commence on a day after the date of grant and in any event shall end not later than 10 years from the date of grant.

## *Maximum Number of Class B Shares*

The total number of Class B Shares which may be issued upon exercise of all Options to be granted under the Post-IPO Share Option Scheme and any other schemes is 334,195,773 Class B Shares, being no more than 10% of the Class B Shares in issue on the Listing Date (the "**Option Scheme Mandate Limit**") (excluding any Class B Shares which may be issued pursuant to the exercise of the over-allotment option and the Options granted under the Pre-IPO Share Option Scheme and grants under the Post-IPO RSU Scheme). The Option Scheme Mandate Limit represented approximately 7.69% of the issued share capital of the Company (excluding treasury shares) as of the date of this annual report. Options which have lapsed in accordance with the terms of the rules of the Post-IPO Share Option Scheme (or any other share option schemes of the Company) shall not be counted for the purpose of calculating the Option Scheme Mandate Limit.

The overall limit on the number of Class B Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Post-IPO Share Option Scheme and any other share option schemes of the Company at any time (and to which the provisions of Chapter 17 of the Listing Rules are applicable) must not exceed 30% of the Class B Shares in issue from time to time (the "**Option Scheme Limit**"). No Options may be granted under any schemes of the Company (or its subsidiaries) if this will result in the Option Scheme Limit being exceeded.

## Report of the Board of Directors

The Option Scheme Mandate Limit may be refreshed at any time by obtaining prior approval of the Shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time. However, the refreshed Option Scheme Mandate Limit cannot exceed 10% of the Class B Shares in issue as of the date of such approval. Options previously granted under the Post-IPO Share Option Scheme and any other share option schemes of the Company (and to which provisions of Chapter 17 of the Listing Rules are applicable) (including those outstanding, cancelled or lapsed in accordance with its terms or exercised), shall not be counted for the purpose of calculating the refreshed Option Scheme Mandate Limit.

The Company may also grant Options in excess of the Option Scheme Mandate Limit, provided such grant is to specifically identified selected participant and is first approved by the Shareholders in general meeting.

### *Duration*

The Post-IPO Share Option Scheme commenced on the Listing Date and was terminated upon the 2023 Share Incentive Scheme becoming unconditional and effective on June 23, 2023. Upon the termination, the Company did not grant further Options under the Post-IPO Share Option Scheme, but in all other respects the provisions of the Post-IPO Share Option Scheme shall remain in full force and effect in respect of Options which were granted prior to the termination.

### *Outstanding Share Options Granted under the Post-IPO Share Option Scheme*

There is no Option available for grant under the Post-IPO Share Option Scheme since the termination of it on June 23, 2023. There is no service provider sublimit under the Post-IPO Share Option Scheme.

# Report of the Board of Directors

Details of movements of Options granted to each participant or category of participants under the Post-IPO Share Option Scheme are as follows:

Name	Date of grant	Vesting period <sup>(i)</sup>	Exercise period	Exercise price (HK\$)	Number of Class B Shares underlying Options outstanding as of January 1, 2025	Number of Class B Shares underlying Options granted during the Reporting Period	Performance Targets of the Options granted during the Reporting Period	Closing price of the Class B Shares immediately before the date on which the Options were granted (HK\$)	Fair value of Options at the date of grant (HK\$)	Number of Options exercised during the Reporting Period	Weighted average price of Class B Shares immediately before the dates of exercise (HK\$)	Number of Options cancelled during the Reporting Period	Number of Options lapsed during the Reporting Period	Number of Class B Shares underlying Options outstanding as of December 31, 2025
<b>Director</b>														
Mr. CHENG Yixiao	April 14, 2022	4 years	April 13, 2023 to April 13, 2029	66.46	3,246,770	N/A	N/A	N/A	N/A	0	—	0	0	3,246,770
Mr. CHENG Yixiao	March 30, 2023	3 years	March 30, 2024 to March 29, 2030	59.40	12,999,986	N/A	N/A	N/A	N/A	0	—	0	0	12,999,986
<b>Other grantees</b>														
Employees	January 24, 2022	4 years	January 23, 2023 to January 23, 2029	86.85	4,683,663	N/A	N/A	N/A	N/A	0	—	0	0	4,683,663
Employees	March 30, 2022	2-4 years	June 29, 2022 to March 29, 2029	76.29	7,311,284	N/A	N/A	N/A	N/A	(932,133)	84.59	0	(940,741)	5,438,410
Employees	April 21, 2022	2-4 years	July 20, 2022 to April 20, 2029	62.30	33,069,824	N/A	N/A	N/A	N/A	(19,091,215)	70.89	(57,818)	(4,158,957)	9,761,834
Employees	June 23, 2022	1 year	June 22, 2023 to June 22, 2026	83.55	6,251	N/A	N/A	N/A	N/A	0	—	0	0	6,251
Employees	July 21, 2022	3.69-4 years	March 29, 2023 to July 20, 2029	82.40	526,987	N/A	N/A	N/A	N/A	(63,100)	84.60	0	(62,797)	411,090
Employees	September 27, 2022	4 years	September 26, 2023 to September 26, 2029	56.15	67,922	N/A	N/A	N/A	N/A	0	—	0	0	67,922

# Report of the Board of Directors

## Particulars of Options granted during the Reporting Period

Name	Date of grant	Vesting period <sup>(1)</sup>	Exercise period	Exercise price (HK\$)	Number of Class B Shares underlying Options outstanding as of January 1, 2025	Number of Class B Shares underlying Options granted during the Reporting Period	Performance Targets of the Options granted during the Reporting Period	Closing price of the Class B Shares immediately before the date on which the Options were granted (HK\$)	Fair value of Options at the date of grant (HK\$)	Number of Options exercised during the Reporting Period	Weighted average price of Class B Shares immediately before the dates of exercise (HK\$)	Number of Options cancelled during the Reporting Period	Number of Options lapsed during the Reporting Period	Number of Class B Shares underlying Options outstanding as of December 31, 2025
Employees	October 20, 2022	2-4 years	October 19, 2023 to October 19, 2029	48.86	30,603	N/A	N/A	N/A	N/A	(30,603)	56.60	0	0	0
Employees	November 29, 2022	2-34 years	April 1, 2023 to November 28, 2029	54.80	2,587,418	N/A	N/A	N/A	N/A	(2,100,116)	69.48	0	(8,999)	478,303
Employees	December 29, 2022	4 years	December 28, 2023 to December 28, 2029	70.65	177,935	N/A	N/A	N/A	N/A	(48,900)	75.60	0	(80,031)	49,004
Employees	January 19, 2023	3 years	January 19, 2024 to January 18, 2030	72.63	1,548,412	N/A	N/A	N/A	N/A	0	—	0	0	1,548,412
<b>Total</b>					<u>66,257,055</u>					<u>(22,266,067)</u>		<u>(57,818)</u>	<u>(5,241,525)</u>	<u>38,691,645</u>

Note:

(1) Vesting period means the total vesting period (i.e. the period between the date of grant and the last vesting date) for the Options granted.

# Report of the Board of Directors

## Post-IPO RSU Scheme

The Post-IPO RSU Scheme was approved and adopted by all the then Shareholders on January 18, 2021. Save for disclosure requirements under Rules 17.06A, 17.06B, 17.06C, 17.07, 17.07A and 17.09 of the Listing Rules, the Post-IPO RSU Scheme is not subject to the provisions of Chapter 17 of the Listing Rules as the Post-IPO RSU Scheme was adopted by the Company before January 1, 2023, the effective date of the amended Chapter 17. The Company may appoint a trustee (the “**Trustee**”) to administer the Post-IPO RSU Scheme with respect to the grant of any Award (as defined below) by the Board or its delegate(s) (including a committee of the Board, the Chief Executive Officer or person(s) to which the Board has delegated its authority) which may vest in the form of Class B Shares (the “**Award Shares**”) or the actual selling price of the Award Shares in cash in accordance with the Post-IPO RSU Scheme. The following is a summary of certain principal terms of the Post-IPO RSU Scheme.

### *Purpose*

The purpose of the Post-IPO RSU Scheme is to recognize and reward Eligible Persons (as defined below) for their contribution to the Group, to attract best available personnel, and to provide additional incentives to them so as to align the interests of the Eligible Persons with those of the Group and to further promote the long-term success of the Group’s business.

### *RSU Participants*

Any individual, being an employee, Director (including executive Directors, non-executive Directors and independent non-executive Directors), officer, consultant, advisor, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner or service provider of any member of the Group or any affiliate (including nominees and/or trustees of any employee benefit trust established for them) (an “**Eligible Person**” and, collectively “**Eligible Persons**”) who the Board or its delegate(s) considers, in its sole discretion, to have contributed or will contribute to the Group is eligible to receive an Award. However, no individual who is resident in a place where the grant, acceptance or vesting of an Award pursuant to the Post-IPO RSU Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board or its delegate(s), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the Post-IPO RSU Scheme.

### *Maximum Entitlement of a Grantee*

There is no maximum entitlement of a grantee under the Post-IPO RSU Scheme. The grant of Awards to Eligible Persons will be made in accordance with the requirements of Listing Rules.

# Report of the Board of Directors

## *RSU Awards*

An award of restricted share units under the Post-IPO RSU Scheme (the “**Award(s)**”) gives a participant in the Post-IPO RSU Scheme a conditional right when the Award vests to obtain either the Award Shares or an equivalent value in cash with reference to the market value of the Award Shares on or about the date of vesting, as determined by the Board or its delegate(s) in its absolute discretion. An Award may include, if so specified by the Board or its delegate(s) in its entire discretion, cash and non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those Shares from the date that the Award is granted to the date that it vests. For the avoidance of doubt, the Board or its delegate(s) at its discretion may from time to time determine that any dividends declared and paid by the Company in relation to the Award Shares be paid to the selected participant even though the Award Shares have not yet vested.

## *Grant of Awards*

The Board or its delegate(s) may, from time to time, at their absolute discretion, grant an Award to a selected participant (in the case of the Board’s delegate(s), to any selected participant other than a Director or an officer of the Company) by way of an award letter (“**Award Letter**”). The Award Letter will specify the grant date, the number of Award Shares underlying the Award, the vesting criteria and conditions, the vesting date and such other details as the Board or its delegate(s) may consider necessary. There is no amount payable on application or acceptance of the Awards or purchase price of the Awards, that are specified under the terms of the Post-IPO RSU Scheme.

## *Vesting of Awards*

The Board or its delegate(s) may from time to time while the Post-IPO RSU Scheme is in force and subject to all applicable laws, determine such vesting criteria and conditions or periods for the Award to be vested.

## *Post-IPO RSU Scheme Limit*

No Award shall be granted pursuant to the Post-IPO RSU Scheme without Shareholders’ approval if as a result of such grant (assumed accepted), the aggregate number of Class B Shares (being in a board lot or an integral multiple thereof) (or, where cash is awarded in lieu of Shares, the aggregate number of Class B Shares as are equivalent to the amount of cash so awarded) underlying all grants made pursuant to the Post-IPO RSU Scheme (excluding Awards that have lapsed or been cancelled in accordance with the rules of the Post-IPO RSU Scheme) will exceed in total 205,409,736 Shares (the “**Post-IPO RSU Scheme Limit**”), representing approximately 4.73% of the issued share capital of the Company (excluding treasury shares) as of the date of this annual report, subject to an annual limit of 3% of the total number of issued shares of the Company at the relevant time. The Post-IPO RSU Scheme Limit may be refreshed from time to time pursuant to the paragraph below.

# Report of the Board of Directors

## *Refresh of Post-IPO RSU Scheme Limit*

The Post-IPO RSU Scheme Limit may be refreshed from time to time subject to prior Shareholders' approval, but in any event, the total number of Shares that underlying the RSUs granted following the date of approval of the refreshed limit (the "**New Approval Date**") under the limit as refreshed from time to time must not exceed 3% of the number of Shares in issue as of the relevant New Approval Date. Shares underlying the RSUs granted pursuant to the Post-IPO RSU Scheme (excluding Shares underlying RSUs that have lapsed or been cancelled in accordance with the Post-IPO RSU Scheme) prior to such New Approval Date will not be counted for the purpose of determining the maximum aggregate number of Shares that may underlie the RSUs granted following the New Approval Date under the limit as renewed.

## *Duration*

The Post-IPO RSU Scheme commenced on the Listing Date and was terminated upon the 2023 Share Incentive Scheme becoming unconditional and effective on June 23, 2023. Upon the termination, the Company did not grant further RSUs under the Post-IPO RSU Scheme, but in all other respects the provisions of the Post-IPO RSU Scheme shall remain in full force and effect in respect of RSUs which were granted prior to the termination.

## *Appointment of Trustee*

The Company may appoint a Trustee to assist with the administration and vesting of RSUs granted pursuant to the Post-IPO RSU Scheme. Subject to the approval of the Board or its delegate(s), the Company may (i) allot and issue Shares to the Trustee to be held by the Trustee and which will be used to satisfy the RSUs upon vesting and/or (ii) direct and procure the Trustee to receive existing Class B Shares from any Shareholder or purchase existing Class B Shares (either on-market or off-market) to satisfy the RSUs upon vesting. The Company shall procure that sufficient funds are provided to the Trustee by whatever means as the Board or its delegate(s) may determine to enable the Trustee to satisfy its obligations in connection with the administration of the Post-IPO RSU Scheme.

## *RSUs Granted under the Post-IPO RSU Scheme*

There is no RSU available for grant under the Post-IPO RSU Scheme since the termination of it on June 23, 2023. There is no service provider sublimit under the Post-IPO RSU Scheme.

# Report of the Board of Directors

Details of movements of RSUs granted to each category of participants under the Post-IPO RSU Scheme are as follows:

Particulars of RSUs granted during the Reporting Period													
Name	Date of grant	Vesting period <sup>(1)</sup>	Purchase price (HK\$)	Number of Class B Shares underlying RSUs outstanding as of January 1, 2025	Number of Class B Shares underlying RSUs granted during the Reporting Period	Performance Targets of RSUs granted during the Reporting Period	Closing price of the Class B Shares immediately before the date on which the RSUs were granted (HK\$)	Fair value of RSUs at the date of grant (HK\$)	Number of RSUs vested during the Reporting Period	Weighted average price of Class B Shares immediately before the dates of vesting (HK\$)	Number of RSUs cancelled during the Reporting Period	Number of RSUs lapsed during the Reporting Period	Number of Class B Shares underlying RSUs outstanding as of December 31, 2025
Employees	February 23, 2021	0.45-4 years	0	1,379	N/A	N/A	N/A	(1,379)	58.40	0	0	0	0
Employees	April 2, 2021	4 years	0-0.3273	561,422	N/A	N/A	N/A	(549,556)	50.73	0	(11,866)	0	0
Employees	April 23, 2021	0.48-4 years	0-0.3273	677,516	N/A	N/A	N/A	(600,201)	52.47	0	(77,193)	0	122
Employees	May 30, 2021	0.19-4 years	0-0.3273	256,705	N/A	N/A	N/A	(233,240)	53.76	0	(23,465)	0	0
Employees	June 29, 2021	4 years	0-0.3273	245,871	N/A	N/A	N/A	(233,522)	62.80	0	(12,349)	0	0
Employees	July 21, 2021	0.04-4 years	0-0.3273	426,908	N/A	N/A	N/A	(384,002)	70.41	0	(42,906)	0	0
Employees	August 27, 2021	0.95-4 years	0	496,332	N/A	N/A	N/A	(439,837)	78.42	0	(56,495)	0	0
Employees	September 26, 2021	0-4 years	0-0.3273	1,563,840	N/A	N/A	N/A	(823,580)	74.35	0	(740,260)	0	0
Employees	October 22, 2021	4 years	0-0.3273	3,952,566	N/A	N/A	N/A	(3,381,915)	73.69	0	(565,488)	0	5,163
Employees	November 30, 2021	3.74-4 years	0	622,107	N/A	N/A	N/A	(475,786)	67.77	0	(146,321)	0	0
Employees	December 28, 2021	4 years	0	475,560	N/A	N/A	N/A	(400,190)	64.60	0	(75,370)	0	0
Employees	January 24, 2022	4 years	0	1,535,140	N/A	N/A	N/A	(767,561)	40.45	0	(33,338)	0	734,241
Employees	February 25, 2022	4 years	0	170,602	N/A	N/A	N/A	(85,298)	58.40	0	(21,419)	0	63,885
Employees	March 30, 2022	4 years	0	1,204,025	N/A	N/A	N/A	(673,656)	59.98	0	(165,233)	0	365,156
Employees	April 21, 2022	4 years	0	3,712,649	N/A	N/A	N/A	(1,805,602)	50.66	0	(535,591)	0	1,371,456
Employees	May 30, 2022	4 years	0	814,081	N/A	N/A	N/A	(387,426)	51.65	0	(55,262)	0	371,393
Employees	June 23, 2022	4 years	0	598,895	N/A	N/A	N/A	(291,628)	56.45	0	(111,651)	0	195,616
Employees	July 21, 2022	4 years	0	1,136,330	N/A	N/A	N/A	(524,205)	70.61	0	(121,325)	0	490,800
Employees	August 31, 2022	4 years	0	532,001	N/A	N/A	N/A	(233,368)	75.35	0	(95,350)	0	204,483
Employees	September 27, 2022	1-4 years	0	1,202,831	N/A	N/A	N/A	(555,182)	78.15	0	(148,930)	0	488,719
Employees	October 20, 2022	2-4 years	0	9,587,748	N/A	N/A	N/A	(4,075,635)	72.94	0	(1,694,160)	0	3,877,953
Employees	November 29, 2022	0-4 years	0	1,780,864	N/A	N/A	N/A	(567,572)	68.40	0	(698,366)	0	514,926
Employees	December 29, 2022	0-4 years	0	1,343,077	N/A	N/A	N/A	(539,801)	64.60	0	(274,434)	0	528,842
Employees	January 19, 2023	4 years	0	713,887	N/A	N/A	N/A	(234,825)	40.75	0	(24,483)	0	254,629
Employees	April 21, 2023	1-4 years	0	17,071,598	N/A	N/A	N/A	(5,452,776)	50.45	0	(2,931,131)	0	8,687,691
<b>Total</b>				<b>50,685,134</b>				<b>(23,717,723)</b>		<b>0</b>	<b>(8,802,336)</b>		<b>18,165,075</b>

Note:

(1) Vesting period means the total vesting period (i.e. the period between the date of grant and the last vesting date) for the RSUs granted.

# Report of the Board of Directors

## 2023 Share Incentive Scheme

The 2023 Share Incentive Scheme was approved and adopted by the Shareholders on June 16, 2023 (“**Adoption Date**”) and becoming unconditional on June 23, 2023, which shall be valid and effective for a period of ten years commencing from the Adoption Date. The terms of the 2023 Share Incentive Scheme complied with the provisions of Chapter 17 of the Listing Rules. The following is a summary of certain principal terms of the 2023 Share Incentive Scheme.

### *Purpose*

The purpose of the 2023 Share Incentive Scheme includes (a) recognize and reward Eligible Participants for their contribution to the Group; (b) attract and retain best available personnel, and provide them with the opportunity to acquire proprietary interests in the Company; and (c) encourage Eligible Participants to work towards enhancing the value of the Company and its shares, align the interests of these Eligible Participants with those of the Group and further promote the success of the Group’s business.

### *Eligible Participants*

The eligible participants who may be selected to become a grantee of the 2023 Share Incentive Scheme are any individuals or corporate entities (where applicable) being an Employee Participant, a Related Entity Participant or a Service Provider (collectively, the “**Eligible Participants**”).

### *Maximum Number of Class B Shares*

The total number of Class B Shares which may be issued in respect of all awards to be granted under the 2023 Share Incentive Scheme and any other share schemes of the Company is 433,510,190, being no more than 10% of the total number of Shares (including the Class A Shares and Class B Shares) in issue as of the Adoption Date (the “**Scheme Mandate Limit**”), unless the Company obtains an approval from the Shareholders according to the scheme rules. The Scheme Mandate Limit represented approximately 9.97% of the issued share capital of the Company (excluding treasury shares) as of the date of this annual report.

Subject to above, the total number of Class B Shares which may be issued in respect of all awards to be granted to Service Providers under the 2023 Share Incentive Scheme and any other share schemes of the Company is 21,675,509, being not more than 0.5% of the total number of Shares (including the Class A Shares and Class B Shares) in issue as of the Adoption Date or 5% of the Scheme Mandate Limit (the “**Service Provider Sublimit**”) unless the Company obtains an approval from the Shareholders according to the scheme rules. The Service Provider Sublimit represented approximately 0.50% of the issued share capital of the Company (excluding treasury shares) as of the date of this annual report. For the avoidance of doubt, the Service Provider Sublimit is set within the Scheme Mandate Limit.

## Report of the Board of Directors

The Scheme Mandate Limit (and the Service Provider Sublimit) may be refreshed at any time by obtaining approval of the Shareholders in general meeting after three years from Adoption Date or the date of Shareholders' approval for the last refreshment, provided that, among others, the total number of Shares which may be issued in respect of all awards to be granted under the 2023 Share Incentive Scheme and any other share schemes of the Company under the Scheme Mandate Limit as refreshed (the "**New Scheme Mandate Limit**") must not exceed 10% (and the Service Provider Sublimit as refreshed (the "**New Service Provider Sublimit**") must not exceed 0.5% (or 5% of the Scheme Mandate Limit)) of the total number of shares of the Company (including the Class A Shares and Class B Shares) in issue at the date of the Shareholders' approval of such New Scheme Mandate Limit (and New Service Provider Sublimit).

### *Maximum Entitlement of a Grantee*

Where any grant of awards to an Eligible Participant under the 2023 Share Incentive Scheme would result in the Class B Shares issued and to be issued in respect of all awards granted to such person (excluding any awards lapsed or clawed back in accordance with the terms of the Scheme) in the 12-month period up to and including the grant date representing in aggregate over 1% of the total number of Shares (including the Class A Shares and Class B Shares) in issue, such grant must be separately approved by the Shareholders in general meeting in accordance with the Listing Rules, with such Eligible Participant and his/her close associates (or associates if the Eligible Participant is a connected person) abstaining from voting.

### *Grant of Awards*

An award under the 2023 Share Incentive Scheme shall be made to an Eligible Participant by an award letter in such form as the Board or its delegate(s) may from time to time determine requiring the Eligible Participant to undertake to hold the award on the terms on which it is to be granted and to be bound by the terms of the 2023 Share Incentive Scheme (the "**Award Letter**"). The Award Letter shall specify the terms on which the award is to be granted, including: (a) whether the award is in the form of an option and/or an RSU; (b) the number of Class B Shares underlying the award; (c) the vesting date and any conditions, restrictions or limitations that must be satisfied in order for the award to vest in whole or in part (including, without limitation, as to the performance targets and clawback mechanism attached to the award); (d) in the case of an award of an option, the exercise price and the exercise period, and in the case of an award of an RSU, the purchase price (if any); and (e) any other terms which may be imposed either on a specific award or generally, provided such terms shall not be inconsistent with any other terms and conditions of the 2023 Share Incentive Scheme.

Unless the Board or its delegate(s) otherwise determines and states in the Award Letter, a grantee is not required to pay any amount on application or acceptance of an award.

### *Vesting of Awards*

The Board or its delegate(s) may from time to time while 2023 Share Incentive Scheme is in force and subject to all applicable laws, determine such vesting period, vesting criteria and conditions or periods for the award to be vested thereunder, provided however that the vesting period for awards shall not be less than 12 months, unless the Board or its delegate(s) determines that the awards granted to Employee Participants may be subject to a vesting period of less than 12 months in the circumstances as prescribed in the 2023 Share Incentive Scheme.

## Report of the Board of Directors

Subject to above, the Board or its delegate(s) may, in its sole discretion and subject to whatever terms and conditions it selects, accelerate the period during which an award vests, to the extent set forth in the terms of the Award Letter or otherwise.

### *Exercise Period for Options Granted*

The exercise period for options granted under the 2023 Share Incentive Scheme would be determined by the Board or its delegate(s) and notified to a grantee in the Award Letter, which may commence on a day after the grant date and in any event shall end not later than 10 years from the grant date but subject to the provisions for early termination thereof contained therein.

### *Exercise Price, Purchase Price and the Basis of Determination*

The exercise price in respect of any options granted under the 2023 Share Incentive Scheme shall be a price determined by the Board or its delegate(s) in its absolute discretion and notified to a grantee (subject to any adjustments made pursuant to scheme rules) which shall be at least the highest of: (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the grant date, which must be a business day; (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the grant date; or (c) the nominal value of a Share.

The purchase price in respect of any RSUs granted under the 2023 Share Incentive Scheme, if any, will be set out in the Award Letter and will be determined by the Board or its delegate(s) in its absolute discretion, taking into account the purpose of the Scheme, the interests of the Company and the individual circumstances of the Grantee.

### *Duration*

Subject to any early termination as may be determined by the Board or its delegate(s) pursuant to the scheme rules, the 2023 Share Incentive Scheme shall be valid and effective for a period of 10 years commencing from the Adoption Date, after which no further awards will be granted, but the provisions of the scheme shall in all other respects remain in full force and effect and the awards granted during the term of the scheme may continue to be valid and exercisable in accordance with their terms of grant. Accordingly, as of December 31, 2025, the remaining life of the 2023 Share Incentive Scheme is approximately seven years and six months.

### *Options and RSUs Granted under the 2023 Share Incentive Scheme*

From the Adoption Date to the end of the Reporting Period, no option was granted under the 2023 Share Incentive Scheme. During the Reporting Period, 82,280,171 RSUs were granted to Eligible Participants under the 2023 Share Incentive Scheme. As of January 1, 2025, being the beginning of the Reporting Period, the total number of awards available for grant under the Scheme Mandate Limit and the Service Provider Sublimit of 2023 Share Incentive Scheme were 344,585,255 and 21,675,509, respectively. As of December 31, 2025, being the end of the Reporting Period, the total number of awards available for grant under the Scheme Mandate Limit and the Service Provider Sublimit of 2023 Share Incentive Scheme were 283,907,698 and 21,675,509, respectively.

Details of movements of RSUs granted to each category of participants under the 2023 Share Incentive Scheme are as follows:

Particulars of RSUs granted during the Reporting Period													
Name	Date of grant	Vesting period <sup>(1)</sup>	Purchase price (HK\$)	Number of Class B Shares underlying RSUs outstanding as of January 1, 2025	Number of Class B Shares underlying RSUs granted during the Reporting Period	Performance targets of RSUs granted during the Reporting Period	Closing price of the Class B Shares immediately before the date on which the RSUs were granted (HK\$)	Fair value of RSUs at the date of grant <sup>(2)</sup> (HK\$)	Number of RSUs vested during the Reporting Period	Weighted average price of Class B Shares immediately before the dates of vesting (HK\$)	Number of RSUs cancelled during the Reporting Period	Number of RSUs lapsed during the Reporting Period	Number of Class B Shares underlying RSUs outstanding as of December 31, 2025
Employees	August 23, 2023	0.66-3.92 years	0	4,112,856	N/A	N/A	N/A	(1,243,665)	67.44	0	(821,984)	2,047,207	
Employees	November 22, 2023	1.91-3.91 years	0	4,582,122	N/A	N/A	N/A	(1,465,288)	71.88	0	(992,857)	2,123,977	
Employees	January 19, 2024	1.75-4 years	0	5,625,348	N/A	N/A	N/A	(1,480,143)	41.81	0	(542,123)	3,603,082	
Employees	April 21, 2024	0-4 years	0	52,280,253	N/A	N/A	N/A	(15,485,457)	50.34	0	(7,788,896)	29,005,900	
Employees	July 19, 2024	0-4 years	0	7,203,775	N/A	N/A	N/A	(1,701,027)	67.21	0	(1,188,819)	4,313,929	
Employees	October 18, 2024	0-4 years	0	10,739,495	N/A	N/A	N/A	(2,869,996)	71.85	0	(1,965,484)	5,964,015	
Employees	January 20, 2025	0-4 years	0	0	9,794,330	—	40.75	(287,943)	58.99	0	(1,522,539)	7,983,848	
Employees	April 25, 2025	0-4 years	0	0	58,197,435	There is no performance target attached to the RSUs granted to a Grantee if he/she is not a Designated Employee	50.75	(596,689)	54.63	0	(5,666,581)	51,934,165	
Employees	July 21, 2025	0-4 years	0	0	7,721,137	—	70.70	(333,113)	71.43	0	(570,069)	6,817,955	
Employees	October 17, 2025	0-4 years	0	0	6,567,269	—	76.00	(303,873)	74.74	0	(543,262)	5,720,134	
<b>Total</b>				<b>84,603,849</b>	<b>82,280,171</b>			<b>(25,767,194)</b>		<b>0</b>	<b>(21,602,614)</b>	<b>119,514,212</b>	

Notes:

(1) Vesting period means the total vesting period (i.e. the period between the date of grant and the last vesting date) for the RSUs granted.

(2) The fair value of each RSU was determined by reference to the market price of the Class B Shares at the respective date of grant and as for the relevant accounting standard and policy adopted, please refer to Note 2.1.9 to the Consolidated Financial Statements.

## Report of the Board of Directors

The shares that may be issued in respect of all the options and RSUs granted under the Pre-IPO ESOP, Post-IPO Share Option Scheme, Post-IPO RSU Scheme and 2023 Share Incentive Scheme during the Reporting Period, being 82,280,171 Class B Shares, represented approximately 2.30% of the weighted average number of Class B Shares in issue (excluding treasury shares) for the Reporting Period.

### EQUITY-LINKED AGREEMENTS

Other than the Pre-IPO ESOP, Post-IPO Share Option Scheme, Post-IPO RSU Scheme and 2023 Share Incentive Scheme, no equity-linked agreements that will or may result in the Company issuing shares, or that require the Company to enter into any agreements that will or may result in the Company issuing shares, were entered into by the Company during the Reporting Period or subsisted as of December 31, 2025.

### CONNECTED TRANSACTIONS

Upon Listing, transactions between members of the Group and the Company's connected persons have become connected transactions or continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Details of the partially-exempt continuing connected transactions of the Group for the year ended December 31, 2025 are set out below, which are entered into with Shenzhen Tencent Computer Systems Company Limited (深圳市騰訊計算機系統有限公司) ("**Tencent Computer**"). During the Reporting Period, the Group has followed the pricing policies and terms under the relevant framework agreements when conducting transactions thereunder. Tencent Computer is a subsidiary of Tencent, which is a substantial shareholder of the Company, and therefore Tencent Computer is a connected person of the Company.

# Report of the Board of Directors

## Partially-exempt Continuing Connected Transactions

### *2023 Marketing and Promotion Services Framework Agreement*

On November 21, 2023, Beijing Dajia (for itself and on behalf of other members of the Group) entered into a marketing and promotion services framework agreement (the “**2023 Marketing and Promotion Services Framework Agreement**”) with Tencent Computer (for itself and on behalf of the Represented Tencent Group (i.e. the group members of Tencent, excluding China Literature Limited, TME Group and their respective subsidiaries and consolidated affiliated entities)).

Pursuant to the 2023 Marketing and Promotion Services Framework Agreement, the Represented Tencent Group will provide marketing and promotion services to the Group, and the Group will provide marketing and promotion services to the Represented Tencent Group. In return for the marketing and promotion services provided by the Represented Tencent Group to the Group, the Group will pay service fees, and vice versa. Fees in respect of the marketing and promotion services provided by the Represented Tencent Group or the Group (as the case may be) under the 2023 Marketing and Promotion Services Framework Agreement shall be paid in one or more of the following manners, depending on the specific form of co-operation and the scope of services agreed between the relevant parties, including Cost-Per-Time, Cost-Per-Click, Cost-Per-Mille, Cost-Per-Sale, Cost-Per-Activity, Cost-Per-Download, fixed marketing and promotion fees, fees charged on the basis of number of videos, fees charged on the basis of the number of live streaming sessions, marketing and promotion revenue/profit sharing, and/or other fee arrangements agreed by the parties.

On August 20, 2024, Beijing Dajia entered into the supplemental agreement to the 2023 Marketing and Promotion Services Framework Agreement (the “**2024 Supplemental Marketing and Promotion Services Agreement**”) with Tencent Computer, pursuant to which the annual caps for the service fees chargeable by the Group from the Represented Tencent Group under the 2023 Marketing and Promotion Services Framework Agreement shall be revised from approximately RMB753.5 million, RMB768.5 million and RMB828.5 million to approximately RMB1,203.5 million, RMB1,468.5 million and RMB1,678.5 million for the years ending December 31, 2024, 2025 and 2026, respectively.

The term of the 2023 Marketing and Promotion Services Framework Agreement and the 2024 Supplemental Marketing and Promotion Services Agreement both commenced on January 1, 2024 and will end on December 31, 2026, subject to renewal upon the mutual agreement of both parties and in compliance with the Listing Rules. Separate underlying agreements have been entered into which set out the specific scope of services, fees calculation, method of payment and other details of the arrangements in the manner provided in the 2023 Marketing and Promotion Services Framework Agreement and the 2024 Supplemental Marketing and Promotion Services Agreement. For further details, please refer to the announcements of the Company dated November 21, 2023 and August 20, 2024.

The annual cap of service fees to be paid by the Represented Tencent Group to the Group for the year ended December 31, 2025 is approximately RMB1,468.5 million, while the actual transaction amount for the year ended December 31, 2025 was approximately RMB1,340.4 million. The annual cap of service fees to be paid by the Group to the Represented Tencent Group for the year ended December 31, 2025 is approximately RMB2,248.0 million, while the actual transaction amount for the year ended December 31, 2025 was approximately RMB1,818.6 million.

# Report of the Board of Directors

## *2023 Cloud Services and Technical Services Framework Agreement*

On November 21, 2023, Beijing Dajia (for itself and on behalf of other members of the Group) entered into a cloud services and technical services framework agreement (the “**2023 Cloud Services and Technical Services Framework Agreement**”) with Tencent Computer (for itself and on behalf of the Represented Tencent Group (i.e. the group members of Tencent, excluding China Literature Limited, TME Group and their respective subsidiaries and consolidated affiliated entities)), pursuant to which the Represented Tencent Group will provide cloud services and technical services to the Group for service fees.

Pursuant to the 2023 Cloud Services and Technical Services Framework Agreement, the service fees will be determined after arm’s length negotiation between the parties with reference to the fee rates published on the official platforms or websites of the Represented Tencent Group where appropriate, depending on the specific form of co-operation and the scope of services agreed between the relevant parties.

On August 20, 2024, Beijing Dajia entered into the supplemental agreement to the 2023 Cloud Services and Technical Services Framework Agreement (the “**2024 Supplemental Cloud Services and Technical Services Agreement**”) with Tencent Computer, pursuant to which the annual caps under the 2023 Cloud Services and Technical Services Framework Agreement shall be revised from approximately RMB950.0 million, RMB1,020.0 million and RMB1,110.0 million to approximately RMB1,414.0 million, RMB1,635.0 million and RMB1,891.0 million for the years ending December 31, 2024, 2025 and 2026, respectively.

The term of the 2023 Cloud Services and Technical Services Framework Agreement and the 2024 Supplemental Cloud Services and Technical Services Agreement both commenced on the January 1, 2024 and will end on December 31, 2026, subject to renewal upon the mutual agreement of both parties and in compliance with the Listing Rules. Separate underlying agreements have been entered into which set out the specific scope of services, fees calculation, method of payment and other details of the arrangements in the manner provided in the 2023 Cloud Services and Technical Services Framework Agreement and the 2024 Supplemental Cloud Services and Technical Services Agreement. For further details, please refer to the announcements of the Company dated November 21, 2023 and August 20, 2024.

The annual cap of service fees to be paid by the Group to the Represented Tencent Group for the year ended December 31, 2025 is approximately RMB1,635.0 million, while the actual transaction amount for the year ended December 31, 2025 was approximately RMB308.8 million.

# Report of the Board of Directors

## *2023 Payment Services Framework Agreement*

On November 21, 2023, Beijing Dajia (for itself and on behalf of other members of the Group) entered into a payment services framework agreement (the “**2023 Payment Services Framework Agreement**”) with Tencent Computer (for itself and on behalf of the Represented Tencent Group (i.e. the group members of Tencent, excluding China Literature Limited, TME Group and their respective subsidiaries and consolidated affiliated entities)), pursuant to which the Represented Tencent Group will provide the Group with payment services through its payment channels to enable the Group’s users to conduct online transactions on the Group’s platform. The Group shall in return pay service fees to the Represented Tencent Group.

Pursuant to the 2023 Payment Services Framework Agreement, the service fees will be based on the charge rates and the calculation method as determined after arm’s length negotiation between the parties with reference to market practice.

The term of the 2023 Payment Services Framework Agreement commenced on the January 1, 2024 and will end on December 31, 2026, subject to renewal upon the mutual agreement of both parties and in compliance with the Listing Rules. Separate underlying agreements have been entered into which set out the specific scope of services, charge rates, method of payment and other details of the arrangements in the manner provided in the 2023 Payment Services Framework Agreement. For further details, please refer to the announcement of the Company dated November 21, 2023.

The annual cap of service fees to be paid by the Group to the Represented Tencent Group for the year ended December 31, 2025 is approximately RMB1,792.0 million, while the actual transaction amount for the year ended December 31, 2025 was approximately RMB1,663.7 million.

## *2023 Game Co-operation Framework Agreement*

On November 21, 2023, Beijing Dajia (for itself and on behalf of other members of the Group) entered into a game co-operation framework agreement (the “**2023 Game Co-operation Framework Agreement**”) with Tencent Computer (for itself and on behalf of the Represented Tencent Group (i.e. the group members of Tencent, excluding China Literature Limited, TME Group and their respective subsidiaries and consolidated affiliated entities)). Under the 2023 Game Co-operation Framework Agreement, (i) the Represented Tencent Group (or any third party sub-licensed by the Represented Tencent Group) will publish, operate and/or distribute on its platforms the games developed, operated and copyrighted by, or legally licensed to the Group (the “**Kuaishou Games**”); (ii) the Represented Tencent Group will grant the Group a license to use the game events copyrights of the Represented Tencent Group (including the game events developed, operated, copyrighted by, or legally licensed to the Represented Tencent Group (the “**Relevant Game Events**”)) on the internet live streaming and short video platforms operated by the Group; and (iii) the Represented Tencent Group will accept the Group as a member of the eSports league of the Represented Tencent Group, and charge the Group a percentage of certain revenue of the eSports club(s) of the Group (including but not limited to the revenue from players’ transfer, the revenue for commercialization and the revenue from sales of tickets for the game events) according to the rules formulated by the Represented Tencent Group.

## Report of the Board of Directors

Pursuant to the 2023 Game Co-operation Framework Agreement, the fees in respect of the game co-operation between the Represented Tencent Group and the Group shall be determined in one or more of the following manners on a case-by-case basis, depending on the specific form of cooperation, the nature, popularity, quality and commercial potential of the relevant games and the scope of services agreed between the relevant parties:

- (a) fees in respect of the publication, operation and/or distribution of Kuaishou Games by the Represented Tencent Group on its platform shall be paid by the Group to the Represented Tencent Group in one or more of the following manners: fixed fees, revenue/profit sharing between the relevant parties, bonus, and/or other fee arrangements agreed by the relevant parties;
- (b) fees in respect of the license for the Relevant Game Events granted by the Represented Tencent Group to the Group shall be paid by the Group to the Represented Tencent Group in one or more of the following manners: fixed fees and/or other fee arrangements agreed by the relevant parties; and
- (c) fees in respect of accepting the Group as a member of eSports league of the Represented Tencent Group and the charges on the Group for a percentage of certain revenue from the eSports club(s) of the Group shall be paid by the Group to the Represented Tencent Group in one or more of the following manners: fixed fees, revenue/profit sharing between the parties, and/or other fee arrangements agreed by the parties.

The term of the 2023 Game Co-operation Framework Agreement commenced on January 1, 2024 and will end on December 31, 2026, subject to renewal upon the mutual agreement of both parties and in compliance with the Listing Rules. Separate underlying agreements have been entered into which set out the specific scope of license granted and/or services provided, fees calculation, method of payment and other details of the arrangements in the manner provided in the 2023 Game Co-operation Framework Agreement. For further details, please refer to the announcement of the Company dated November 21, 2023.

The annual cap of fees to be paid by the Group to the Represented Tencent Group for the year ended December 31, 2025 is approximately RMB174.5 million, while the actual transaction amount for the year ended December 31, 2025 was approximately RMB60.2 million.

### Annual Review by the Independent Non-executive Directors and the Auditor

The independent non-executive Directors have reviewed the continuing connected transactions outlined above, and confirmed that such continuing connected transactions had been entered into:

- (a) in the ordinary and usual course of business of the Group;
- (b) on normal commercial terms or better; and
- (c) in accordance with the relevant agreements governing them on terms that were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Auditor has performed the relevant procedures regarding the continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by Hong Kong Institute of Certified Public Accountants. The Auditor has issued an unqualified letter containing its findings and conclusions in respect of the continuing connected transactions disclosed by the Group in this annual report in accordance with Rule 14A.56 of the Listing Rules.

## Report of the Board of Directors

The Auditor has confirmed in a letter to the Board with respect to the aforesaid continuing connected transactions entered into during the Reporting Period:

- (a) nothing has come to the Auditor's attention that causes the Auditor to believe that the disclosed continuing connected transactions have not been approved by the Board;
- (b) for transactions involving the provision of goods or services by the Group, nothing has come to the Auditor's attention that causes the Auditor to believe that the continuing connected transactions were not, in all material respects, in accordance with the pricing policies of the Group;
- (c) nothing has come to the Auditor's attention that causes the Auditor to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- (d) nothing has come to the Auditor's attention that causes the Auditor to believe that such continuing connected transactions have exceeded the annual caps as set by the Company.

Save as disclosed in this annual report, during the Reporting Period, the Company had no connected transactions or continuing connected transactions which are required to be disclosed under the Listing Rules. The Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules with respect to the connected transactions and continuing connected transactions entered into by the Group during the Reporting Period.

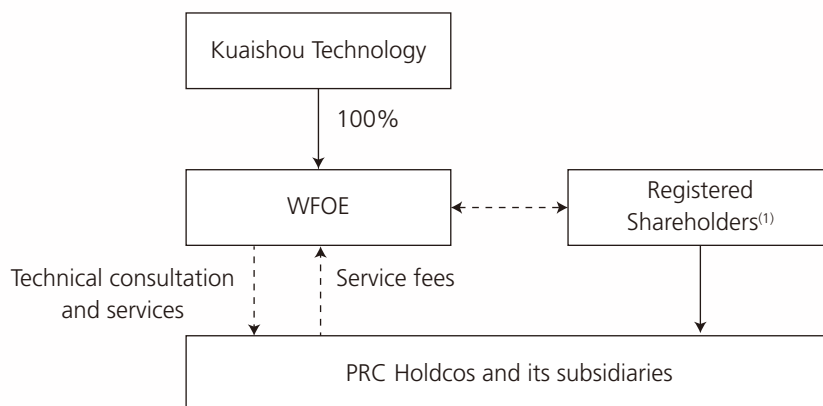
### CONTRACTUAL ARRANGEMENTS

#### Reasons for Adopting the Contractual Arrangements

Because foreign investment in certain areas of the industry in which the Group currently operates is subject to restrictions under current PRC laws and regulations, the Company has determined that it was not viable for the Company to hold the Consolidated Affiliated Entities directly through equity ownership. Instead, the Company has decided that, in line with common practice in industries in the PRC subject to foreign investment restrictions, the Company would gain effective control over, and receive substantially all the economic benefits generated by the businesses currently operated by the Consolidated Affiliated Entities through the Contractual Arrangements between WFOE, on the one hand, and the PRC Holdcos and the registered shareholders of the PRC Holdcos (the "**Registered Shareholders**"), on the other hand. In order to comply with PRC laws and regulations while availing ourselves of international capital markets and maintaining effective control over all of the Group's operations, the Group has implemented the Contractual Arrangements with regards to the Consolidated Affiliated Entities.

## Report of the Board of Directors

The following simplified diagram illustrates the flow of economic benefits from the Consolidated Affiliated Entities to WFOE and the Company as stipulated under the Contractual Arrangements as of December 31, 2025:



Notes:

- (1) As of the Latest Practicable Date, Registered Shareholders refer to the registered shareholders of the PRC Holdcos, namely (i) Hangzhou Youqu, (ii) Huayi Huilong, and (iii) Beijing One Smile. Among these Registered Shareholders, (i) SU Hua is the Company's co-founder, a Controlling Shareholder and an executive Director and holds the Shares through Reach Best; (ii) CHENG Yixiao is the Company's co-founder, a Controlling Shareholder and an executive Director and holds the Shares through Ke Yong; (iii) YIN Xin is a director of Beijing Kuaishou and holds the Shares through Fortune One; (iv) YANG Yuanxi is the director of Beijing Kuaishou Ads and holds the Shares through Jovial Star; and (v) PENG Xiaochun is a former employee of the Group.
- (2) The details of the shareholding structure of the PRC Holdcos as of the Latest Practicable Date are set out below:
  - (i) Hangzhou Youqu is owned by SU Hua as to 90% and PENG Xiaochun as to 10%.
  - (ii) Huayi Huilong is owned by YANG Yuanxi as to 90% and PENG Xiaochun as to 10%.
  - (iii) Beijing One Smile is owned by SU Hua as to 32.32%, YANG Yuanxi as to 29.24%, CHENG Yixiao as to 25.86% and YIN Xin as to 12.58%.
  - (iv) Chongqing Mizan Jiaoyan Culture Media Co., Ltd. (formerly known as Shandong Yixiang Communication Co., Ltd.), a former Consolidated Affiliated Entity of the Group, has been deregistered on November 12, 2025.
  - (v) "—>" denotes direct legal and beneficial ownership in the equity interest.
- (3) "—->" denotes contractual relationship.
- (4) "—-—" denotes the control by WFOE over the Registered Shareholders and the PRC Holdcos through (i) powers of attorney to exercise all shareholders' rights in the PRC Holdcos, (ii) exclusive options to acquire all or part of the equity interests in the PRC Holdcos, and (iii) equity pledges over the equity interests in the PRC Holdcos.

## Report of the Board of Directors

The Consolidated Affiliated Entities are primarily engaged in the businesses of short video and live streaming, online games and online advertising facilitation business. The Consolidated Affiliated Entities contributed a significant portion of the Group's financial positions and results of operations. The revenue of the Consolidated Affiliated Entities amounted to RMB67.8 billion for the Reporting Period, representing approximately 47.5% of the total revenue of the Group. As of December 31, 2025, the total assets of the Consolidated Affiliated Entities amounted to RMB43.5 billion, representing approximately 26.4% of the total assets of the Group.

### Summary of the Contractual Arrangements

A brief description of the specific agreements that comprise the Contractual Arrangements entered into by each of the WFOEs, the PRC Holdcos and the relevant Registered Shareholders is set out as follows:

#### *Exclusive Technical Consultation and Service Agreements*

Pursuant to the exclusive technical consultation and service agreements (the “**Exclusive Technical Consultation and Service Agreements**”), in exchange for service fees, the PRC Holdcos have agreed to engage WFOE as their respective exclusive provider of the following technical consultation and services:

- (1) the research and development of technologies required by the PRC Holdcos' businesses, including the development, design and production of database software for business information, user interface software and other related technologies, and to grant them for the PRC Holdcos' use;
- (2) the application and implementation of technologies relating to the operation of the PRC Holdcos' businesses, including but not limited to system design, system installation and debugging and system trial runs;
- (3) the daily maintenance, monitoring, debugging and troubleshooting for the PRC Holdcos' computers and network software equipment (including information databases), including the timely entering users' information into the database, or timely updating the database, regularly updating the user interface and providing other related technical services according to other business information provided by the PRC Holdcos at any time;
- (4) providing consultation services for the procurement of required equipment, software and hardware for the PRC Holdcos' network operations, including but not limited to utility software, applications and selection of technology platforms, system installation and testing, and advise on their complementary hardware facilities, equipment models and their respective performances;

## Report of the Board of Directors

- (5) providing suitable training and technical support and assistance to employees of the PRC Holdcos, including but not limited to customer service and technological training, introduction to the installation and operation of systems and equipment, resolving problems that may arise during the installation and operation of systems and equipment, providing consultation and suggestions on online editing platforms and software, helping the PRC Holdcos collect and compile all kinds of information;
- (6) providing technical consultations and solutions to technical questions raised by the PRC Holdcos in relation to network equipment, technical products and software; and
- (7) other relevant services and consultation as required by the PRC Holdcos' businesses.

The service fees shall consist all of the total consolidated profit of the Consolidated Affiliated Entities, after the deduction of any accumulated deficit of the Consolidated Affiliated Entities in respect of the preceding financial year(s), operating costs, expenses, taxes, other statutory contributions, and any reasonable operating profits calculated based on the application of PRC tax law principles and tax practices. Notwithstanding the foregoing, the WFOE may adjust the scope and amount of service fees in accordance with PRC tax law principles and tax practices, and with reference to the working capital needs of the PRC Holdcos, and the PRC Holdcos will accept any such adjustment. The WFOE will calculate the service fees on a monthly basis and issue a corresponding invoice to the PRC Holdcos. Notwithstanding the payment arrangements in the Exclusive Technical Consultation and Service Agreements, WFOE may adjust the payment time and method, and the PRC Holdcos will accept any such adjustment.

In addition, absent the prior written consent of WFOE, during the term of the Exclusive Technical Consultation and Service Agreements, with respect to the services subject to the Exclusive Technical Consultation and Service Agreements, the PRC Holdcos shall not accept the same or any similar consultation or services provided by any third party. The Exclusive Technical Consultation and Service Agreements also provide that WFOE has the exclusive proprietary rights to and interests in any and all intellectual property rights developed or created by the PRC Holdcos during the performance of the Exclusive Technical Consultation and Service Agreements.

### *Exclusive Option Agreements*

Pursuant to the exclusive option agreements (the "**Exclusive Option Agreements**"), WFOE has the exclusive and irrevocable right to purchase, or to designate one or more persons/entities to purchase, from the Registered Shareholders of the PRC Holdcos all or any part of their equity interests in the PRC Holdcos and from the PRC Holdcos all or any part of the assets of the PRC Holdcos at any time in WFOE's absolute discretion in accordance with the provisions of the Exclusive Option Agreements and to the extent permitted by the PRC laws. The consideration in relation to purchasing shares from the Registered Shareholders of the PRC Holdcos shall be RMB1 or the lowest price as permitted by the applicable PRC laws. The consideration in relation to purchasing assets from the PRC Holdcos shall be the lowest price as permitted under the applicable PRC laws.

# Report of the Board of Directors

## *Equity Pledge Agreements*

Pursuant to the equity pledge agreements (the “**Equity Pledge Agreements**”), the Registered Shareholders of the PRC Holdcos agreed to pledge all their respective equity interests in the PRC Holdcos that they own, including any interest or dividend paid for the shares, to WFOE as a security interest to guarantee the performance of contractual obligations and the payment of outstanding debts.

Upon the occurrence and during the continuance of an event of default (as defined in the Equity Pledge Agreements), WFOE shall have the right to exercise all such rights as a secured party under the Equity Pledge Agreements and any applicable PRC law, including without limitations, being paid in priority with the equity interests based on the monetary valuation that such equity interests are converted into or from the proceeds from auction or sale of the equity interest upon written notice to the Registered Shareholders of the PRC Holdcos.

All the Equity Pledge Agreements in relation to the PRC Holdcos had been properly registered with competent authorities.

## *Shareholder Voting Rights Proxy Agreements*

Under the shareholder voting rights proxy agreements (the “**Proxy Agreements**”), the Registered Shareholders of the PRC Holdcos irrevocably appointed WFOE and its designated persons (including but not limited to the directors of the holding companies of WFOE and their successors and the liquidators replacing such directors or successors) as their exclusive agent to exercise on their behalf, any and all rights that they have in respect of their equity interests in the PRC Holdcos.

## *Confirmation from the Registered Shareholders*

Each of the Registered Shareholders has confirmed to the effect that (i) his/her interests do not fall within the scope of communal properties, and his/her spouse does not have the right to claim any interests in the respective PRC Holdcos (together with any other interests therein) or exert influence on the day-to-day management and voting matters of the respective PRC Holdcos; and (ii) in the event of his/her death, disappearance, incapacity, divorce, marriage or any other event which causes his/her inability to exercise his/her rights as a shareholder of the respective PRC Holdcos, his/her successors (including his/her spouse) will not take any actions that would affect his/her obligations under the Contractual Arrangements.

## *Spouse Undertakings*

The spouse of the relevant Registered Shareholders, where applicable, has signed amended and restated undertakings to the effect that (i) he/she has no right to or control over such interests of the respective registered shareholder and will not have any claim on such interests; (ii) confirms that the respective spouse may further amend or terminate the Contractual Arrangements without the need for authorization or consent by him/her; (iii) the respective spouse’s interests in the PRC Holdcos (together with any interests therein) do not fall within the scope of communal properties; and (iv) if he/she is transferred any shares held by their spouse for any reason, he/she will be bound by the Contractual Arrangements and will observe obligations as a shareholder of the PRC Holdcos, and will sign all necessary documents and to take all necessary actions to ensure the Contractual Arrangements are properly performed.

# Report of the Board of Directors

## Foreign Investment Law

Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the “**PRC Foreign Investment Law**” or “**FIL**”) became effective on January 1, 2020 and replaced the Sino-Foreign Equity Joint Venture Enterprise Law (《中外合資經營企業法》), the Sino-Foreign Cooperative Joint Venture Enterprise Law (《中外合作經營企業法》) and the Wholly Foreign-Owned Enterprise Law (《外資企業法》). The FIL constitutes the legal foundation for foreign investment in the PRC. The FIL is formulated to further expand opening-up, vigorously promote foreign investment and protect the legitimate rights and interests of foreign investors. According to the FIL, China adopts a system of national treatment plus a “negative list” with respect to foreign investment administration. The negative list will be issued by, amended or released upon approval by the State Council, from time to time. The current negative list, namely, the Special Administrative Measures (Negative List) for the Access of Foreign Investment (2024 Version) (《外商投資准入特別管理措施(負面清單)》(2024年版)) (the “**2024 Negative List**”), sets out the industries in which foreign investments are prohibited or restricted. Generally, foreign investors would not be allowed to make investments in prohibited industries, while foreign investments must satisfy certain conditions and requirements stipulated in the 2024 Negative List for investment in restricted industries. Foreign investment and domestic investment in industries outside the scope of the 2024 Negative List shall be treated equally. On December 26, 2019, the State Council issued the Implementation Regulations for the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》) (the “**Implementation Regulations**”) which became effective on January 1, 2020. The Implementation Regulations provide that foreign investments in prohibited sectors on the negative list are not allowed, while foreign investments in restricted sectors on the negative list shall comply with special administrative measures in respect of shareholding, senior management personnel and other matters stipulated under the negative list.

The FIL defines the foreign investment as the investment activities directly or indirectly conducted by foreign investors in the PRC, and sets forth the specific situations that should be regarded as foreign investment. The FIL does not explicitly specify contractual arrangements as a form of foreign investment, nor does it mention the concepts of “de facto control” or “controlling through contractual arrangements”, but the FIL stipulates that foreign investment includes the investment made in the PRC by foreign investors through any other means under the laws, administrative regulations and provisions stipulated by the State Council. Therefore, there are possibilities that future laws, administrative regulations or provisions of the State Council may stipulate contractual arrangements as a way of foreign investment, and then whether the Contractual Arrangements will be recognized as foreign investment, whether the Contractual Arrangements will be deemed to be in violation of the foreign investment access requirements and how the Contractual Arrangements will be handled are uncertain.

Save as disclosed above, there was no material change in the Contractual Arrangements and/or the circumstances under which they were adopted during the Reporting Period, and none of the Contractual Arrangements had been unwound because none of the restrictions that led to the adoption of the Contractual Arrangements had been removed. We had not encountered any interference or encumbrance from any PRC governing bodies in operating our businesses through the Consolidated Affiliated Entities under the Contractual Arrangements.

## Risks Relating to the Contractual Arrangements

There are certain risks associated with the Contractual Arrangements, including:

- (1) If the PRC government determines that the agreements establishing the structure for operating our online businesses in China do not comply with applicable PRC laws and regulations, or if these regulations or their interpretations change in the future, we could be subject to severe consequences, including the nullification of the Contractual Arrangements and the relinquishment of the Company’s interest in our Consolidated Affiliated Entities.

## Report of the Board of Directors

- (2) Substantial uncertainties exist with respect to whether the control of PRC onshore VIEs by foreign investors via contractual arrangements will be recognized as “foreign investment” and how it may impact the viability of our current corporate structure and operations.
- (3) The Group relies on the Contractual Arrangements for its operations in China, which may not be as effective in providing operational control as direct ownership. The PRC Holdcos and/or their Registered Shareholders may fail to perform their obligations under our Contractual Arrangements, which may result in us resorting to litigation to enforce the Group’s rights, which may be time-consuming, unpredictable, expensive and damaging to our operations and reputation.
- (4) As some of the Contractual Arrangements may not have fully detailed the parties’ rights and obligations, the remedies for a breach of these arrangements may not be guaranteed.
- (5) The Group may not be able to conduct its operations without the services provided by certain of its Consolidated Affiliated Entities.
- (6) The Company may lose the ability to use and enjoy assets held by the Consolidated Affiliated Entities that are material to our business operations if the Consolidated Affiliated Entities declare bankruptcy or become subject to a dissolution or liquidation proceeding.
- (7) The Registered Shareholders of the PRC Holdcos may have conflicts of interest with the Group, which may materially and adversely affect the Group’s business.
- (8) The Group conducts its business operations in China through the Consolidated Affiliated Entities by way of the Contractual Arrangements. However, certain terms of the Contractual Arrangements may not be enforceable under PRC laws and regulations.
- (9) The Contractual Arrangements between Beijing Dajia and the PRC Holdcos may be subject to scrutiny by the PRC tax authorities and may subject the Group to increased income tax due to the different income tax rates applicable to Beijing Dajia and our PRC Holdcos. A finding that the Group owes additional taxes could negatively affect the Group’s financial condition and the value of the Shareholders’ investment.
- (10) If the Company exercises the option to acquire equity ownership and assets of the Consolidated Affiliated Entities, the ownership or asset transfer may subject us to certain limitations and substantial costs.
- (11) A transfer of shares in some of the Consolidated Affiliated Entities may trigger tax liability.

Further details of these risks are set out in “Risk Factors — Risks Related to our Corporate Structure” in the Prospectus.

### **Actions Taken by the Group to Mitigate the Risks relating to the Contractual Arrangements**

The Group has adopted the following measures to ensure the effective operation of the Group with the implementation of the Contractual Arrangements and its compliance with the Contractual Arrangements:

- (1) major issues arising from the implementation and compliance with the Contractual Arrangements or any regulatory enquiries from government authorities will be submitted to the Board, if necessary, for review and discussion on an occurrence basis;

## Report of the Board of Directors

- (2) the Board will review the overall performance of and compliance with the Contractual Arrangements at least once a year;
- (3) the Company will disclose the overall performance and compliance with the Contractual Arrangements in its annual reports; and
- (4) the Company will engage external legal advisors or other professional advisors, if necessary, to assist the Board to review the implementation of the Contractual Arrangements, review the legal compliance of WFOE and the Consolidated Affiliated Entities to deal with specific issues or matters arising from the Contractual Arrangements.

### Listing Rules Implications and Waivers from the Stock Exchange

The transactions contemplated under certain Contractual Arrangements constitute continuing connected transactions of the Company under the Listing Rules upon Listing as certain parties to the Contractual Arrangements, including Mr. CHENG Yixiao and Mr. SU Hua, are connected persons of the Group.

In respect of these Contractual Arrangements constituting continuing connected transactions of the Company under the Listing Rules, the Stock Exchange has granted to the Company, a waiver from strict compliance with (i) the announcement, circular and independent Shareholders' approval requirements under Rules 14A.04 and 14A.105 of the Listing Rules; (ii) the requirement of setting an annual cap for the transactions under the Contractual Arrangements under Rule 14A.53 of the Listing Rules; and (iii) the requirement of limiting the term of the Contractual Arrangements to three years or less under Rule 14A.52 of the Listing Rules, for so long as the Class B Shares are listed on the Stock Exchange, subject, however, to the following conditions:

- (1) no change to the Contractual Arrangements (including with respect to any fees payable to Beijing Dajia thereunder) will be made without the approval of the independent non-executive Directors;
- (2) save as described in paragraph (4) below, no change to the agreements governing the Contractual Arrangements will be made without the independent Shareholders' approval. Once independent Shareholders' approval of any change has been obtained, no further announcement or approval of the independent Shareholders will be required under Chapter 14A of the Listing Rules unless and until further changes are proposed. The periodic reporting requirement regarding the Contractual Arrangements in the annual reports of the Company will, however, continue to be applicable;
- (3) the Contractual Arrangements shall continue to enable the Group to receive the economic benefits derived by the Consolidated Affiliated Entities;
- (4) the Contractual Arrangements may be renewed and/or reproduced upon the expiry of the existing arrangements or in relation to any existing or new wholly foreign-owned enterprise or operating company (including branch companies) engaging in the same business as that of the Group which the Group might wish to establish when justified by business expedience, without obtaining the approval of the Shareholders, on substantially the same terms and conditions as the existing Contractual Arrangements; and
- (5) the Group will disclose details relating to the Contractual Arrangements on an ongoing basis.

# Report of the Board of Directors

## Annual Review by the Independent Non-executive Directors and the Auditor

The independent non-executive Directors have reviewed the Contractual Arrangements outlined above, and confirmed that:

- (1) the transactions under the Contractual Arrangements carried out during the Reporting Period have been entered into in accordance with the relevant provisions of the Contractual Arrangements;
- (2) no dividends or other distributions have been made by the Consolidated Affiliated Entities to the holders of its equity interests which are not otherwise subsequently assigned or transferred to the Group during the Reporting Period; and
- (3) any new contracts entered into, renewed or reproduced between the Group and the Consolidated Affiliated Entities during the Reporting Period are fair and reasonable, or advantageous to the Shareholders, so far as the Group is concerned and in the interests of the Company and the Shareholders as a whole.

The Auditor has carried out review procedures in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants annually on the transactions carried out pursuant to the Contractual Arrangements.

The Auditor has confirmed in a letter to the Board with respect to the Contractual Arrangements:

- (1) nothing has come to their attention that causes the Auditor to believe that the disclosed transactions under the Contractual Arrangements have not been approved by the Board;
- (2) nothing has come to their attention that causes the Auditor to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements under the Contractual Arrangements governing such transactions; and
- (3) nothing has come to their attention that causes the Auditor to believe that there were dividends or other distributions have been made by the Consolidated Affiliated Entities to the holders of their equity interests which were not otherwise subsequently assigned or transferred to the Group.

## RELATED PARTY TRANSACTIONS

Certain related party transactions as disclosed in Note 33 to the Consolidated Financial Statements in this annual report constituted as connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules and are in compliance with the requirements under Chapter 14A of the Listing Rules and disclosed in this annual report.

# Report of the Board of Directors

## AUDITOR AND AUDIT COMMITTEE'S REVIEW

### Auditor

PricewaterhouseCoopers was appointed as the Auditor during the Reporting Period and there had been no change in auditor of the Company in the past three years. The accompanying financial statements prepared in accordance with IFRS Accounting Standards have been audited by PricewaterhouseCoopers.

PricewaterhouseCoopers shall retire at the forthcoming 2026 AGM and, being eligible, will offer itself for re-appointment. A resolution for the re-appointment of PricewaterhouseCoopers as the auditor of the Company will be proposed at the 2026 AGM.

### Audit Committee

The Company has established the Audit Committee in compliance with Rule 3.21 of the Listing Rules and with written terms of reference in compliance with the Corporate Governance Code. The Audit Committee consists of three members, namely Mr. HUANG Sidney Xuande, Mr. MA Yin and Ms. LU Rong. The chairman of the Audit Committee is Mr. HUANG Sidney Xuande, who is an independent non-executive Director with the appropriate accounting and related financial management expertise as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The Audit Committee, after the discussion with the Auditor, has reviewed the Company's audited Consolidated Financial Statements for the Reporting Period. 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 annual results for the Reporting Period have been prepared in accordance with IFRS Accounting Standards.

On behalf of the Board

**Mr. CHENG Yixiao**

*Chairman*

Hong Kong, March 25, 2026

# Corporate Governance Report

The Board has hereby submitted its Corporate Governance Report for the Reporting Period to the Shareholders.

## CORPORATE CULTURE

The Board believes that corporate culture underpins the long-term business, economic success and sustainable growth of the Group. A strong culture enables the Group to deliver long-term sustainable performance and contribute to the development of the digital economy. The Company is committed to developing a positive and progressive culture that is built on its Vision, Mission and Value.

The Board considers that the corporate culture and the strategy of the Group are aligned. During the Reporting Period, the Group continued to strengthen its cultural framework by focusing on the following:

- **Vision:** Be the most customer-obsessed company in the world.
- **Mission:** Help people discover their needs and use their talents in order to find their unique brand of happiness. We relentlessly focus on serving our customers and create value for them through continual innovation and optimization of our products and services. We seek to create a platform that is an authentic lens into the diverse and vibrant world we live in, enriching people's lives with interesting, useful, relevant and meaningful content. We believe everyone is unique and strives to empower them to express themselves, be appreciated, and discover what makes them happy.
- **Value:** Customer Obsession (痴迷客户), Pragmatic Innovation (創新務實), Highest Standards (最高標準), Ownership and Integrity (擔當敢為) and Authenticity and Clarity (坦誠清晰). The Company sets and promotes corporate culture and expects and requires all employees to reinforce. It enhances employees experience through a variety of corporate cultural initiatives and encourages its employees to focus on value contributions during their daily work. All of the new employees are required to attend orientation and training programs so that they may better understand the corporate culture.

# Corporate Governance Report

## CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining and promoting stringent corporate governance standards.

The Company aims to achieve high standards of corporate governance which are crucial to the Company's development and safeguard the interests of the Shareholders. The principles of the Company's corporate governance are to promote effective internal control measures and to enhance the transparency and accountability of the Board of Directors to all Shareholders.

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 year ended December 31, 2025.

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 since October 29, 2023, to ensure consistent leadership to advance long-term strategy, and allowing 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.

## MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as the code of conduct regarding the Directors' dealings in the securities of the Company.

Having made specific enquiry of all the Directors, all Directors confirmed that they have complied with the provisions of the Model Code during the Reporting Period.

The Company has also established written guidelines for securities transactions by employees who are likely to be in possession of inside information of the Company (the "**Guidelines for Securities Dealings by Relevant Employees**") on terms no less exacting than the Model Code. No incident of non-compliance with the Guidelines for Securities Dealings by Relevant Employees by the employees has been noted by the Company.

## BOARD OF DIRECTORS

### Board Composition

The Board currently comprises the following Directors:

#### *Executive Directors*

Mr. CHENG Yixiao (程一笑) (*Chairman of the Board and Chief Executive Officer*)

Mr. SU Hua (宿華)

#### *Non-executive Directors*

Mr. LI Zhaohui (李朝暉)

Mr. ZHANG Fei (張斐)

Mr. WANG Huiwen (王慧文)

#### *Independent Non-executive Directors*

Mr. HUANG Sidney Xuande (黃宣德)

Mr. MA Yin (馬寅)

Ms. LU Rong (盧蓉)

The biographical information of the Directors is set out in the section headed “Report of the Board of Directors — Biographical Details and Other Information of the Directors” of this annual report. To the best knowledge of the Company, there is no relationship (including financial, business, family or other material/relevant relationship(s)) among the members of the Board.

Save as disclosed above, during the Reporting Period and up to the Latest Practicable Date, the Board has met the requirements of the Listing Rules regarding the appointment of at least three independent non-executive directors (representing at least one-third of the board), with at least one of whom possessing appropriate professional qualifications, or accounting, or related financial management expertise.

The Company has received written confirmation from each of the independent non-executive Directors in respect of his/her independence in accordance with the independence guidelines as set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent.

# Corporate Governance Report

## Responsibilities and Delegation

The Board is responsible for the leadership and control of the Company, directing and supervising the Company's affairs and acting in the best interests of the Company and its Shareholders.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound risk management and internal control systems are in place.

All Directors, including non-executive Directors and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. All Directors have full and timely access to all the information of the Company, and may upon request, seek independent professional advice in appropriate circumstances at the Company's expenses for discharging their duties to the Company. The Directors have disclosed to the Company details of other offices held by them.

The Board reserves for its discretion on all major matters relating to policy matters, strategies and budgets, risk management and internal control systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company are delegated to the Chief Executive Officer and management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the aforesaid officers.

## Chairman and Chief Executive Officer

Pursuant to code provision C.2.1 as set out in Part 2 of the Corporate Governance Code, 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 has served as both the chairman of the Board and the Chief Executive Officer since October 29, 2023. Although such practice deviates from code provision C.2.1 as set out in Part 2 of the Corporate Governance Code, the Board believes that vesting the roles of both the chairman of the Board and the Chief Executive Officer in the same person has the benefit of ensuring consistent leadership to advance long-term strategy, and allowing for further deepening the monetization capabilities and optimizing operating efficiency of the Group.

In addition, 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, given that (i) decisions to be made by the Board requires approval by at least a majority of the Directors; (ii) all the Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among others, that he/she acts for the benefit and in the best interests of the Company as a whole and will make decisions for the Company accordingly; (iii) the balance of power and authority is ensured by the operations of the Board, which consists of two executive Directors, three non-executive Directors and three independent non-executive Directors and has a fairly strong independence element; and (iv) the overall strategic and other key business, financial, and operational policies of the Company are made collectively after thorough discussion at both the Board and senior management levels.

# Corporate Governance Report

Therefore, the Board considers that the deviation from the code provision C.2.1 as set out in Part 2 of the Corporate Governance Code is appropriate in such circumstance. 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.

## Appointment and Re-election of Directors

According to the Articles of Association, at every annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third) shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Any Director appointed by the Board to fill a casual vacancy or as an addition to the Board shall hold office until the first annual general meeting of the Company after his/her appointment. A retiring Director shall retain office until the close of the meeting at which he retires and shall be eligible for re-election thereat. The Company at any annual general meeting at which any Directors retire may fill the vacated office by electing a like number of persons to be Directors. All retiring Directors shall be eligible for re-election.

## Continuous Professional Development of Directors

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant. The newly appointed Directors were also provided with a detailed induction to the Group's businesses by senior management.

Pursuant to code provision C.1.1 as set out in Part 2 of the Corporate Governance Code, Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. Internally-facilitated briefings for Directors would be arranged and reading materials on relevant topics would be provided to Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expenses.

The Directors are required to submit to the Company details of the training they received in each financial year for the Company's maintenance of proper training records of the Directors.

# Corporate Governance Report

The training received by the Directors throughout the Reporting Period is summarized below:

<b>Name of Director</b>	<b>Participated in continuous professional development <sup>(1)</sup></b>
<i>Executive Directors</i>	
Mr. CHENG Yixiao	√
Mr. SU Hua	√
<i>Non-executive Directors</i>	
Mr. LI Zhaohui	√
Mr. LIN Frank ( <i>resigned with effect from January 22, 2025</i> )	√
Mr. ZHANG Fei	√
Mr. WANG Huiwen	√
<i>Independent Non-executive Directors</i>	
Mr. HUANG Sidney Xuande	√
Mr. MA Yin	√
Prof. XIAO Xing ( <i>resigned with effect from April 28, 2025</i> )	√
Ms. LU Rong <sup>(2)</sup> ( <i>appointed with effect from April 28, 2025</i> )	√

Notes:

- <sup>(1)</sup> Attended training/seminar/conference arranged by the Company or other external parties or read relevant materials.
- <sup>(2)</sup> Ms. LU Rong had obtained a training from Freshfields, the Hong Kong legal advisor of the Company, in relation to the legal advice regarding the requirements under the Listing Rules on March 25, 2025. She has confirmed that she understood her obligations as a Director.

## Board Activities

The Company adopts the practice of holding Board meetings regularly, at least four times a year and at approximately quarterly intervals. Notices of not less than fourteen days are given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for regular Board meetings.

## Corporate Governance Report

For other Board meetings and Board committees meetings, reasonable notice is generally given. The agenda and accompanying board papers are dispatched to the Directors or Board committees members at least three days before such meetings to ensure that they have sufficient time to review the papers and are adequately prepared for the meetings. When Directors or Board committees members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the chairman prior to the meeting. Minutes of meetings are kept by the company secretary of the Company with copies circulated to all Directors for information and records.

The matters considered by the Board and Board committees and the decisions reached are recorded in sufficient details in the minutes of the Board meetings and Board committees meetings. Such details include, but are not limited to, any concerns raised by the Directors. The draft minutes of each Board meeting and Board committees meeting are sent to the relevant Directors for comments within a reasonable time after the date on which the meeting is held. Minutes of the Board meetings are open for inspection by Directors.

During the Reporting Period, the Board convened five Board meetings, four Audit Committee meetings, two Corporate Governance Committee meetings, three Remuneration Committee meetings, one Nomination Committee meeting and one annual general meeting. The attendance records of each Director at the above meetings are set out in the table below:

Name of Director	Attendance/Number of Meetings					Corporate Governance Committee	General Meeting of Shareholders
	Board	Audit Committee	Nomination Committee	Remuneration Committee			
Mr. CHENG Yixiao	5/5	—	1/1	—	—	—	1/1
Mr. SU Hua	5/5	—	—	3/3	—	—	1/1
Mr. LI Zhaohui	4/5	—	—	2/3	—	—	1/1
Mr. ZHANG Fei	5/5	—	1/1	—	—	—	1/1
Mr. LIN Frank <sup>(1)</sup>	1/1	—	—	—	—	—	—
Mr. WANG Huiwen	5/5	—	—	—	—	—	1/1
Mr. HUANG Sidney Xuande	5/5	4/4	1/1	3/3	2/2	2/2	1/1
Mr. MA Yin	5/5	4/4	1/1	3/3	2/2	2/2	1/1
Prof. XIAO Xing <sup>(2)</sup>	2/2	1/1	1/1	2/2	1/1	1/1	—
Ms. LU Rong <sup>(3)</sup>	3/3	3/3	—	1/1	1/1	1/1	1/1

Notes:

- (1) Mr. LIN Frank resigned as a non-executive Director with effect from January 22, 2025. During the period from January 1, 2025 up to his resignation, one Board meeting was held.
- (2) Prof. XIAO Xing resigned as an independent non-executive Director with effect from April 28, 2025. During the period from January 1, 2025 up to her resignation, two Board meetings, one Audit Committee meeting, one Nomination Committee meeting, two Remuneration Committee meetings, and one Corporate Governance Committee meeting were held.
- (3) Ms. LU Rong was appointed as an independent non-executive Director with effect from April 28, 2025. During the period from her appointment up to December 31, 2025, three Board meetings, three Audit Committee meetings, one Remuneration Committee meeting, one Corporate Governance Committee meeting and one annual general meeting were held.

# Corporate Governance Report

In addition, Mr. CHENG Yixiao held a meeting with the independent non-executive Directors without the presence of other Directors during the Reporting Period.

## BOARD COMMITTEES

The Board has established four Board committees, namely, the Audit Committee, the Nomination Committee, the Remuneration Committee and the Corporate Governance Committee, for overseeing particular aspects of the Company's affairs. All Board committees are established with specific terms of reference which deal clearly with their authority and duties, and are posted on the Company's website and the Stock Exchange's website.

### Audit Committee

The Company has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process, the risk management and internal controls systems of the Group, to review connected transactions and to advise the Board. The Audit Committee comprises three independent non-executive Directors, namely, Mr. HUANG Sidney Xuande, Mr. MA Yin and Ms. LU Rong. The chairman of the Audit Committee is Mr. HUANG Sidney Xuande, who possesses the appropriate professional qualification, and accounting and financial management expertise as required under Rule 3.10(2) of the Listing Rules.

None of the members of the Audit Committee is a former partner of the Company's existing Auditor, PricewaterhouseCoopers.

During the Reporting Period, the Audit Committee has held four meetings, in which the Audit Committee has performed the following major tasks:

- reviewed the audited annual results and annual report of the Group for the year ended December 31, 2024;
- reviewed the 2025 interim results announcement and interim report of the Group;
- reviewed the Company's quarterly results announcements for the first quarter ended March 31, 2025 and the third quarter ended September 30, 2025, respectively;
- reviewed the adequacy of resources, staff qualifications and experience, training programs and budget of the Group's accounting, financial reporting and internal audit function;
- reviewed the continuing connected transactions of the Group;
- reviewed the risk management and internal control systems of the Group;
- reviewed and approved internal audit's reports and the Group's 2025 internal audit plan;
- reviewed the implementation and effectiveness of the whistleblowing policy;

# Corporate Governance Report

- reviewed the Auditor's independence and terms of engagement for the year ending December 31, 2025, and made recommendations on the re-appointment of the Auditor;
- reviewed and approved the Auditor's remuneration for the year ending December 31, 2025; and
- reviewed and approved quarterly for the non-audit services conducted by the Auditor.

The Auditor was invited to attend the Audit Committee meetings to discuss with the Audit Committee on issues arising from the audit and financial reporting matters. The Audit Committee also met with the Auditor without the presence of management. The Audit Committee was satisfied with the independence and engagement of the Auditor. As such, the Audit Committee has recommended the re-appointment of the Auditor.

## Nomination Committee

The Company has established the Nomination Committee with written terms of reference in compliance with Rule 8A.27 of the Listing Rules and the Corporate Governance Code. The primary duties of the Nomination Committee are to review the Board composition, to make recommendations to the Board regarding the rotation and appointment of Directors and Board succession, and to assess the independence of independent non-executive Directors. The Nomination Committee comprises one executive Director, one non-executive Director and three independent non-executive Directors, namely, Mr. CHENG Yixiao, Mr. ZHANG Fei, Mr. HUANG Sidney Xuande, Mr. MA Yin and Ms. LU Rong. Mr. MA Yin is the chairman of the Nomination Committee.

During the Reporting Period, the Nomination Committee has held one meeting, in which the Nomination Committee has performed the following major tasks:

- reviewed and approved the structure, size and composition of the Board to ensure that it has a balance of expertise, skills and experience appropriate to the requirements of the business of the Group;
- recommended the re-election of the retiring Directors at the forthcoming annual general meeting;
- recommended on the appointment of an independent non-executive Director to fill a casual vacancy of the Board and the relevant Board committees;
- assessed the independence of all the independent non-executive Directors;
- reviewed the implementation and effectiveness of the Board Diversity Policy (as defined below);
- reviewed the implementation and effectiveness of the directors nomination policy; and
- reviewed and recommended on the amendments to the terms of reference of the Nomination Committee.

# Corporate Governance Report

## Diversity

### *Board Diversity Policy*

The Board has adopted a board diversity policy (the “**Board Diversity Policy**”) to enhance the effectiveness of the Board and to maintain a high standard of corporate governance. The Company recognizes and embraces the benefits of having a diverse Board. Pursuant to the Board Diversity Policy, in reviewing and assessing suitable candidates to serve as a Director of the Company, the Nomination Committee will consider a range of diversity perspectives with reference to the Company’s business model and specific needs, including but not limited to gender, age, language, cultural and educational background, professional qualifications, skills, knowledge, industry and regional experience and/or length of service.

The Nomination Committee is responsible for reviewing the diversity of the Board. It will from time to time review the Board Diversity Policy, develop and review measurable objectives for implementing the policy, and monitor the progress on achieving these measurable objectives in order to ensure that the policy remains effective.

The Board currently has one female Director, and thus has achieved its goal to have at least one female Director in the Board. The Board also has achieved gender diversity and thus fulfills the requirement under Rule 13.92 of the Listing Rules. The Company also intends to promote gender diversity when recruiting staff at the mid to senior level so that the Company will have a pipeline of female senior management and potential successors to the Board. The Company plans to offer all-rounded trainings to female employees whom we consider to have the suitable experience, skills and knowledge of our operation and business, including but not limited to, business operation, management, accounting and finance, legal and compliance and research and development. The Company is of the view that such strategy will offer chances for the Board to identify capable female employees to be nominated as a member of the Board in the future with an aim to providing the Board with a pipeline of female candidates to achieve gender diversity in the Board in the long run.

### *Diversity of Employees*

The Company strives to enhance gender diversity of staff and management to create a fair, diverse and inclusive workplace. As of December 31, 2025, the gender ratio of the Group’s workforce (including the Company’s senior management) was approximately 55.3% male to 44.7% female (2024: 56.0% male to 44.0% female). To achieve the goal of improving fairness and create more opportunities for female employees, the Group has put in place recruitment and hiring, training and promotion measures such that a diverse range of candidates are considered. The Group also provides physical and mental health, care and benefits, safe workplace environment and communication channels to empower our female employees. During the Reporting Period, the Board was not aware of any mitigating factors or circumstances which make achieving gender diversity across the Group’s workforce (including senior management) more challenging or less relevant.

More details of the Group’s diversity practices for employees are set forth in the section headed “Environmental, Social and Governance Report” of this annual report.

# Corporate Governance Report

## Mechanism Regarding Independent Views to the Board

The Board has implemented different ways to ensure independent views and input are available to the Board. The implementation and effectiveness of such mechanism was reviewed on an annual basis. The Board considers that such mechanism has been implemented properly and effectively.

The mechanism is disclosed below:

### *Composition*

The Board ensures the appointment of at least three independent non-executive Directors and at least one-third of its members being independent non-executive Directors (or such higher threshold as may be required by the Listing Rules from time to time), with at least one independent non-executive Director possessing appropriate professional qualifications, or accounting or related financial management expertise. Further, independent non-executive Directors will be appointed to the Board committees as required under the Listing Rules and as far as practicable to ensure independent views are available.

### *Independent Assessment in Nomination Practices*

The Company has nomination policy for election of Directors. Such policy, devising the criteria and procedures of selection and performance evaluation, provides guidance to the Board on nomination and appointment of Directors (including the independent non-executive Directors) of the Company. The Nomination Committee strictly adheres to the nomination policy with regard to the nomination and appointment of independent non-executive Directors, and is mandated to assess annually the independence of independent non-executive Directors to ensure they can continually exercise independent judgment.

The Board believes that the defined selection process is good for corporate governance in serving the Board continuity and appropriate leadership at Board level, enhancing Board effectiveness and diversity, and ensuring independent views and input are available to the Board.

### *Compensation*

No equity-based remuneration with performance-related elements has been granted to independent non-executive Directors as this may lead to bias in their decision-making and compromise their objectivity and independence.

### *Board Decision Making*

The Directors (including independent non-executive Directors), upon reasonable request, may seek independent professional advice at the Company's expense, to assist the performance of their duties. If a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter would be dealt with by a physical Board meeting rather than a written resolution. A Director who has a material interest in a contract, transaction or arrangement shall not vote or be counted in the quorum on any Board resolution approving the same.

# Corporate Governance Report

## Remuneration Committee

The Company has established the Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code. The primary duties of the Remuneration Committee are to review and make recommendations to the Board regarding the terms of remuneration packages, bonuses and other compensation payable to the Directors and senior management and to establish a formal and transparent procedure for developing policy to review the terms of incentive schemes and directors' service contracts. The Remuneration Committee comprises one executive Director, one non-executive Director and three independent non-executive Directors, namely, Mr. SU Hua, Mr. LI Zhaohui, Mr. HUANG Sidney Xuande, Mr. MA Yin and Ms. LU Rong. Mr. HUANG Sidney Xuande is the chairman of the Remuneration Committee.

During the Reporting Period, the Remuneration Committee has held three meetings, in which the Remuneration Committee has performed the following major tasks:

- reviewed and recommended on the performance-based bonus scheme for the year 2024 and the vesting of performance-based share awards for the senior management;
- reviewed and recommended on the adjustment of remuneration packages of and grant of share awards to the senior management;
- reviewed and recommended on the execution of an appointment letter with a newly appointed independent non-executive Director and her remuneration packages; and
- reviewed and recommended on the renewal of service contracts and appointment letters with certain Directors and their remuneration packages.

During the Reporting Period, the Remuneration Committee reviewed and recommended to the Board the grant of share awards to certain senior management of the Company. While considering the grant of share awards, the Remuneration Committee had evaluated the remuneration of the grantees in comparable market peer and the value of grant to the grantees. After considering those factors, the Remuneration Committee recommended the proposed grant of share awards for the Board's approval to appreciate the grantees' devotion and commitment to the Company which aligns with the purposes of the 2023 Share Incentive Scheme. The vesting periods of the share awards granted were not less than 12 months and there were performance targets and clawback mechanism attached thereto in accordance with the 2023 Share Incentive Scheme.

# Corporate Governance Report

Pursuant to code provision E.1.5 as set out in Part 2 of the Corporate Governance Code, the annual remuneration (including share-based compensation) of the members of senior management during the Reporting Period and up to December 31, 2025, including those members of senior management who are also the executive Directors, by band for the Reporting Period is set out below:

<b>Annual Remuneration</b>	<b>Number of individuals</b>
HK\$0 to HK\$20,000,000	2
> HK\$20,000,000	3

Further details of the remuneration of Directors for the Reporting Period are set out in Note 9(b) to the Consolidated Financial Statements in this annual report.

## Corporate Governance Committee

The Company has established the Corporate Governance Committee with written terms of reference in compliance with Rule 8A.30 of the Listing Rules and the Corporate Governance Code. The primary duties of the Corporate Governance Committee are to ensure that the Company is operated and managed for the benefit of all Shareholders and to ensure the Company's compliance with the Listing Rules and safeguards relating to the weighted voting rights structure of the Company. The Corporate Governance Committee comprises three independent non-executive Directors, namely, Mr. HUANG Sidney Xuande, Mr. MA Yin and Ms. LU Rong. Mr. MA Yin is the chairman of the Corporate Governance Committee.

During the Reporting Period, the Corporate Governance Committee has held two meetings, in which the Corporate Governance Committee has performed the following major tasks:

- reviewed the Company's compliance with laws, regulations and the Corporate Governance Code, and the disclosure in the Corporate Governance Report;
- reviewed the written confirmation provided by the WVR Beneficiaries that they have been members of the Company's Board of Directors throughout the year and that no matters under Rule 8A.17 of the Listing Rules have occurred during the relevant financial year; and they have complied with Rules 8A.14, 8A.15, 8A.18 and 8A.24 of the Listing Rules throughout the year;
- reviewed and monitored the management of conflicts of interests between the Company, its subsidiaries or Consolidated Affiliated Entities and/or the Shareholders on one hand and any WVR Beneficiaries or Controlling Shareholders on the other;
- reviewed and monitored all risks related to the weighted voting rights structure;
- reviewed and monitored the training and continuous professional development of Directors and senior management;
- reviewed the implementation and effectiveness of the Shareholders' Communication Policy;

## Corporate Governance Report

- made a recommendation to the Board as to the appointment of the compliance advisor;
- reviewed and approved the statement of the Board regarding Environmental, Social and Governance (“ESG”) of the Group (including reviewing the adequacy of resources, staff qualifications and experience, training programs and budget of the Group’s ESG related matters);
- reviewed and approved the 2024 ESG Report; and
- reviewed and recommended on the amendments to the terms of reference of the Corporate Governance Committee.

In particular, the Corporate Governance Committee has confirmed to the Board that it is of the view that the Company has adopted sufficient corporate governance measures to manage the potential conflict of interest between the Group and the WVR Beneficiaries in order to ensure that the operations and management of the Company are in the interests of the Shareholders as a whole. These measures include the Corporate Governance Committee ensuring that (i) any connected transactions are disclosed and dealt with in accordance with the requirements of the Listing Rules, (ii) any Directors who have a conflict of interest abstain from voting on the relevant board resolution, and (iii) the compliance advisor is consulted on any matters related to transactions involving the WVR Beneficiaries or a potential conflict of interest between the Group and the WVR Beneficiaries. The Corporate Governance Committee recommended the Board to continue the implementation of these measures and to periodically review their efficacy towards these objectives.

Having reviewed the remuneration, terms of engagement of the compliance advisor, the Corporate Governance Committee confirmed to the Board that it was not aware of any factors that would require it to consider either the removal of the current compliance advisor or the appointment of a new compliance advisor during the Reporting Period. As a result, the Corporate Governance Committee recommended that the Board retain the services of compliance advisor of the Company.

### RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and they can only provide reasonable, but not absolute, assurance against material misstatements or losses.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risk of failure to achieve the Company’s strategic objectives, as well as establishing and maintaining effective risk management and internal control systems.

The Audit Committee assists the Board in leading the management team to review the design, implementation and monitoring of the risk management and internal control systems. This review formally takes place at quarterly intervals, one of which includes an annual review on the effectiveness of the risk management and internal control systems.

The management considers it is important to establish and continue to improve its risk management and internal control systems, and has strengthened internal control, internal audit, compliance and forensic functions of the Company during the Reporting Period. The Company’s risk management and internal control systems have been developed with the following principles, features and processes:

# Corporate Governance Report

## Organization Principles

To ensure that the risk management and internal control systems are effective, the Company, under the supervision and guidance of the Board and factoring the actual needs of the Company, has adopted the “Three Lines of Defense” model as an official organizational structure for risk management and internal control.

### *The First Line of Defense — Management and Operation*

The first line of defense is mainly implemented by the business departments of the Company which are responsible for the day-to-day operations, and they are responsible for designing and implementing control measures to address the risks.

### *The Second Line of Defense — Risk Management, Internal Control and Other Functions*

The second line of defense is mainly implemented by, among others, the internal control team, finance department, legal department, information security center, efficiency engineering department and other departments with similar functions. This line of defense is responsible for formulating policies related to management of operations, finance, compliance and litigation, information security and internal controls of the Company, and for planning and establishing an integrated risk control system. For ensuring effective implementation of such systems, this line of defense also assists and supervises the first line of defense in the establishment and improvement of risk management and internal control systems.

### *The Third Line of Defense — Internal Audit and Forensic*

The third line of defense is mainly implemented by the internal audit and forensic teams, which hold a high degree of independence. The internal audit team provides an evaluation on the effectiveness of the Company’s risk management and internal control systems, and monitors management’s continuous improvement over these areas. The forensic team is responsible for receiving whistle-blowing reports and investigating alleged fraudulent incidents.

## Risk Management Process

The Company has established a risk management system (including the “Three Lines of Defense” internal monitoring model as detailed above) which sets out the roles and responsibilities of each relevant party as well as the relevant risk management policies and processes.

All business and functional departments of the Company are responsible for conducting internal control assessment regularly to identify risks that may potentially impact the business of the Group.

The internal audit department is responsible for performing independent review of the effectiveness and adequacy of the risk management and internal control systems. The internal audit department examined key issues in relation to the accounting practices and all material controls and provided its findings to the Audit Committee.

## Corporate Governance Report

The Board, as supported by the Audit Committee as well as the management, has reviewed the report from the management and findings from the internal audit, and reviewed the risk management and internal control systems, including the financial, operational and compliance controls. The annual review also covered areas on the adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting, financial reporting and internal audit functions.

The Board considered the risk management and internal control systems of the Company (including the processes for financial reporting and Listing Rules compliance) during the Reporting Period were effective and adequate.

Proper internal control procedures and guidelines are in place to guard against mishandling of inside information which may constitute insider dealing or breach of any other statutory obligations. Access to inside information is at all times confined to relevant personnel (i.e. Company's Directors, senior management and relevant employees) and on "as needed" basis until proper disclosure or dissemination of inside information in accordance with applicable laws and regulations. Company's Directors, senior management and relevant employees in possession of potential inside information and/or inside information are required to take reasonable measures to ensure that proper safeguards are in place to preserve strict confidentiality of inside information and to ensure that its recipients recognize their obligations to maintain the information confidential.

The Company has in place a comprehensive whistleblowing policy, under which the employees and officers of the Group and external parties who deal with the Group (e.g. customers and suppliers) are encouraged to raise concerns about possible improprieties pertaining to the Company, in confidence, with the designated internal committee which regularly reports to the Audit Committee. The Company has also established policies and systems that enhance and support the Company's compliance with anti-corruption laws and regulations. For details, please refer to the sub-sections headed "4.1 Rights and Interests of Employees" and "1.3.1 Anti-Corruption" in the section headed "Environmental, Social and Governance Report" of this annual report.

### Significant Risks of the Company

As the complexity of the Company's business increases and the external environment continues to evolve, the Company could face various risks, including ESG risks, among others. Through risk management analysis and evaluation, the management has identified that the five significant risks disclosed in 2024 remained the same in 2025. Among the five significant risks, there is a slight increase in market competition and innovation risk, and compliance risk while the other risk levels are mostly unchanged and the overall ranking of major risks remains the same.

Below is a summary of the significant risks of the Company along with the applicable response strategies. With the growth of the Company's business scale, scope, complexity and the changing external environment, the Company's risk profile may change and the list below is not intended to be exhaustive.

#### *Market Competition and Innovation Risk*

The Company faces intense competition from other internet companies in China in several major aspects of its business, particularly in live streaming, online marketing services, e-commerce, AI and other sectors. Some of the Company's competitors may have longer operating histories and greater financial, technical and marketing resources than it does or have an advantage in attracting and retaining users and business partners. Due to the ongoing exploration and development of AI, technological breakthroughs by competitors may pose challenges to the Company's competitive edge in AI. In addition, the Company's competitors may have larger user bases or more established brand names than it does and therefore would be able to more effectively leverage their user bases and brand names to provide live streaming, online marketing services, e-commerce, AI and other products and services.

# Corporate Governance Report

The management of the Company closely monitors the market competition, and shares relevant information and their insights and judgments on the market competition in real time.

The Company continues to (i) enrich and improve the quality and diversity of its content offerings on its platform in order to attract and retain a broad user base, (ii) improve the experience of its users and business partners through improved functionalities and services, (iii) further expand user reach and enhance user engagement through online and offline marketing and promotional activities, and (iv) develop and expand its product and service offerings to fulfill evolving user needs that naturally arise from its ecosystem.

Meanwhile, the Company has been committed to strengthening its research and development and technological capabilities, including to: invest in technologies to reinforce its advanced technological capabilities in areas such as AI and big data and continuously upgrade and scale the IT infrastructure, including data centers and cloud computing bandwidth, to support its growing ecosystem as well as product and service offerings.

## *Information Security and Privacy Risk*

The protection of users' personal data and other privacy-related information is critical to the Company's business. Any loss or leakage of sensitive user information could have a significant negative impact on affected users and the Company's reputation, and even leading to potential legal action against the Company. Moreover, high-sensitive business data may encompass trade secrets, which constitutes a part of core competitiveness and is equally critical to the Company's development.

The information security committee is responsible for devising information security strategies and decision-making regarding major information security issues. The Company has also set up a data security team which works closely with its legal department to jointly establish and enforce procedures regarding the management of data security. The Company's dedicated privacy protection team is formed by the security group of its information security center and other departments including legal, government relations, and public relations departments, and analyzes industry trends, designs privacy protection protocols, conducts privacy trainings, assists in the formulation of feasible compliance work assessments and provides relevant risk control suggestions.

To adapt to the increasing potential challenges of data security, the Company continues to improve a series of data security policies to standardize the data management. In addition, the Company has consistently refined the data security standards and the data deletion process, which enhanced information security defense capability in all aspects. At the same time, the Company has continuously strengthened its efforts in key areas such as personal information protection and data leakage prevention.

The Company has been committed to strictly following the Principle of Minimum Necessity during user data management process. In addition, independent privacy policies were developed for all products, clarifying and safeguarding users' rights to manage personal information. Moreover, an open customer service channel has always been in place to ensure privacy protection issues from users are handled and resolved quickly.

# Corporate Governance Report

## *Compliance Risk*

Given that the internet business is highly regulated in China, intensified government regulation of the short video, live streaming and e-commerce industries in China could restrict the Company's ability to maintain or increase its user base or the user traffic to its platform. As the short video, live streaming and e-commerce sectors in China are still evolving rapidly, new laws and regulations may be adopted from time to time to address new issues that come to the regulatory authorities' attention and additional licenses and permits other than those the Company currently has may be required.

The Company places a high priority on the protection of minors, strictly adhering to relevant national laws and regulations, and actively fulfilling social responsibilities. In terms of short video content management, the Company is committed to continuously enhancing and refining the protection mechanisms for minors, including but not limited to: implementing a real-name authentication system, setting up a youth mode to filter inappropriate contents, and enhancing parental control features. The Company continuously optimizes content review algorithms to improve the identification and handling of harmful information, ensuring a healthy and safe online environment for minors.

The Company has several professional departments and teams that work closely with management of business groups and identify changes in any relevant laws and regulations, so as to take appropriate actions or measures to ensure the Company is in compliance with applicable laws and regulations.

## *Fraud Risk*

In light of the rapid development of the internet industry, fraud cases have occurred frequently outside and within the industry and have caused harm to the internet industry as a whole. Fraudulent activities engaged by business partners, employees or third parties may exert a negative impact on the operations, finance and reputation of the Company.

The Company consistently adheres to its fundamental value of integrity, combats fraud and has zero tolerance for it. The Company has established effective internal control systems and continuously optimizes such systems to identify and mitigate fraud risk. The Company conducts comprehensive and thorough investigation on any potential fraudulent conduct. Any fraudulent conduct will be dealt with strictly in accordance with the relevant rules and regulations of the Company. Cases involving breaches of national laws and regulations will be immediately transferred to judicial departments. Meanwhile, the Company combats the illegal internet industry together with the police force and promotes the establishment of the Trust and Integrity Enterprise Alliance together with other members of the internet industry to combat internet fraudulent behaviors, and to build a healthy, orderly and civilized internet ecosystem through technological cooperation and information sharing.

## *Reputation Risk*

The Company processes a large number of transactions on a daily basis on its platform. With continuous expansion of its overall business scope, heightened public concerns over user data protection, user safety and user experience issues, the Company may be subject to additional legal and social responsibilities and more impacts of negative publicity and regulatory concerns over these issues. If the Company does not pay sufficient attention to public opinion or if any incident or crisis arises but is not dealt with in a timely manner, its reputation, brand and image will be affected.

# Corporate Governance Report

An effective risk and crisis management mechanism has been established to continuously minimize risks and potential crisis in the Company's ongoing business procedures or information system through a series of evaluations and analysis with an aim to optimize its management system, upgrade its risk management and continuously reduce the Company's exposure to potential crisis. In addition, the Company's public relations department maintains close connections and interactions with other operation departments and related functional units, proactively responds to societal concerns and deals with crisis in a lawful and reasonable manner and protects the Company's reputation in accordance with established policies and working procedures.

## DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for preparing the financial statements of the Company for the Reporting Period.

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, inside information announcements and other disclosures required under the Listing Rules and other regulatory requirements. The senior management has provided to the Board necessary explanation and information to enable the Board to make an informed assessment of the financial information and position of the Company, which are put forward to the Board for approval.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

The statement of the Auditor about their reporting responsibilities on the Company's Consolidated Financial Statements for the Reporting Period is set out under the section headed "Independent Auditor's Report" of this annual report.

## AUDITOR'S REMUNERATION

The remuneration for the audit and non-audit services provided by the Auditor to the Group for the Reporting Period is analyzed below. The remuneration for the audit services includes the service fees in connection with audit and reviews of the Group. The non-audit services conducted by the Auditor mainly include professional services on tax advisory and other consultation services.

Type of services provided by the Auditor	Amount (RMB' Million)
Audit services	30
Non-audit services	2
Total	32

# Corporate Governance Report

## JOINT COMPANY SECRETARIES

Mr. ZHAO Huaxia Matthew, the joint company secretary of the Company, is responsible for advising the Board on corporate governance matters and ensuring that the Board policies and procedures, as well as the applicable laws, rules and regulations are followed.

During the reporting period, Ms. SO Ka Man of Tricor Services Limited, an external service provider, has been engaged by the Company as the other joint company secretary to assist Mr. ZHAO Huaxia Matthew to discharge his duties as the joint company secretary of the Company. The primary contact person at the Company is Mr. ZHAO Huaxia Matthew.

With a view to pursue high standard of corporate governance, while Mr. ZHAO Huaxia Matthew has been qualified to act as the company secretary of the Company under Rules 3.28 and 8.17 of the Listing Rules after the waiver period as confirmed by the Stock Exchange, the Company will continue to retain the arrangement of joint company secretaries. With effect from March 25, 2026, Ms. SO Ka Man has resigned as the joint company secretary and Ms. YIP Hoi Lam has been appointed as the joint company secretary of the Company. For details, please refer to the announcement of the Company dated March 25, 2026.

For the Reporting Period, the joint company secretaries of the Company took not less than 15 hours of relevant professional training respectively, in compliance with Rule 3.29 of the Listing Rules.

## COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The Company has in place a Shareholders' Communication Policy to ensure that the Shareholders' views and concerns are appropriately addressed. The Board believes that effective communication with the Shareholders is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies. The Group also recognizes the importance of transparency and timely disclosure of its corporate information, which enables the Shareholders and investors to make the best investment decisions.

The general meetings of the Company provide an opportunity for communication between the Directors, senior management and the Shareholders. The chairman of the Board as well as chairmen of the Audit Committee, the Nomination Committee, the Remuneration Committee and the Corporate Governance Committee, in their absence, other members of the respective committees, are available to answer questions at general meetings. The chairman of the meeting will provide the detailed procedures for conducting a poll and answer any questions from the Shareholders on voting by poll. The annual general meeting shall be called by not less than 21 days' notice to Shareholders in writing and any extraordinary general meeting shall be called by not less than 14 days' notice to Shareholders in writing.

The Company will publish in a timely manner both English and Chinese versions of (i) any corporate communication (as defined in the Listing Rules) of the Company that requires Shareholders' attention or action, and (ii) announcements relating to matters to be disclosed under the Listing Rules (including but not limited to those involving inside information, corporate actions and corporate transactions).

# Corporate Governance Report

The Company maintains a website at [ir.kuaishou.com](http://ir.kuaishou.com) as a communication platform with the Shareholders and investors, where information on the Company's announcements, financial information and other information are available for public access. Shareholders and investors may send written enquiries or requests to the Company, for the attention of the Board of Directors, as follows:

Address: Suites 6901 & 6916, 69/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong  
Email: [ir@kuaishou.com](mailto:ir@kuaishou.com)/[kuaishou@tpg-ir.com](mailto:kuaishou@tpg-ir.com)

The Company continues to enhance communications and relationships with the Shareholders and investors. Designated senior management maintains regular dialog with institutional investors and analysts to keep them posted of the Company's developments. Enquiries from the Shareholders and investors are dealt with in an informative and timely manner.

The Company ensures that the Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, maintains the most up-to-date information relating to the Shares at all times so that it can respond effectively to the Shareholders' enquiries.

The Corporate Governance Committee has reviewed the implementation and effectiveness of the Shareholders' Communication Policy during the Reporting Period, and in view of the above measures put in place, it considered the policy was effective in maintaining communication with the Shareholders.

## SHAREHOLDERS' RIGHTS

To safeguard the Shareholders' interests and rights, separate resolutions are proposed at the Shareholders' meetings on each substantial issue, including the election of individual Directors, for the Shareholders' consideration and voting. All resolutions put forward at the Shareholders' meetings will be voted by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company ([www.kuaishou.com](http://www.kuaishou.com)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) after each Shareholders' meeting.

Pursuant to the Articles of Association, extraordinary general meetings shall be convened on the written requisition of any one or more Shareholders holding, as of the date of deposit of the requisition, in aggregate shares representing not less than one-tenth of the voting rights, on a one vote per share basis, of the Company which carry the right of voting at general meetings of the Company. A written requisition shall be deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office of the Company specifying the objects of the meeting and signed by the requisitioner(s) for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitioner(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitioner(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

## Corporate Governance Report

There is no provision allowing the Shareholders to move new resolutions at general meetings under the Companies Act. Shareholders who wish to move a resolution may request the Company to convene a general meeting following the procedures set out in the preceding paragraph.

With respect to the Shareholders' right in proposing persons for election as Directors, please refer to the procedures available on the website of the Company ([www.kuaishou.com](http://www.kuaishou.com)).

### CONSTITUTIONAL DOCUMENTS

Pursuant to a special resolution of the Shareholders passed on June 13, 2024, the amended and restated Memorandum and Articles of Association was adopted with effect from the same day, and no changes have been made thereto during the Reporting Period.

The current effective Memorandum and Articles of Association is available on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.kuaishou.com](http://www.kuaishou.com)).

# Environmental, Social and Governance Report

## ABOUT THE REPORT

This is the sixth environmental, social and governance (“ESG”) report (the “Report”) published by the Company to communicate with stakeholders on the Group’s ESG philosophy, initiatives and performance, and to respond to stakeholders’ requirements.

### Reporting Period

Unless otherwise specified, the Report covers the Group’s performance on ESG matters during the Reporting Period.

### Reporting Boundary

Unless otherwise specified, the Report covers all subsidiaries and Consolidated Affiliated Entities within the Group.

### Sources of Data

Unless otherwise specified, the information disclosed in the Report is derived from the Group’s internal official documents and filing reports, internal statistics and relevant official, publicly available information and records.

### Basis of Preparation

The Report has been prepared with reference to the *Appendix C2 Environmental, Social and Governance Reporting Code* of the Stock Exchange (the “ESG Reporting Code”) and in accordance with “materiality”, “quantitative”, “balance” and “consistency” principles set out in the *ESG Reporting Code*.

<b>Materiality</b>	Through materiality assessment, we identify and evaluate the ESG issues that are important to our business and internal and external stakeholders. The Report mainly contains disclosures that align with the results of the materiality assessment. Please refer to the section headed “Materiality Analysis” for further details regarding the process of materiality assessment.
<b>Quantitative</b>	We have disclosed the quantitative Key Performance Indicators (the “KPIs”) and set up quantitative performance targets where appropriate. The quantification standards, methodologies, assumptions and/or calculation tools for KPIs and source of conversion factors used in the Report are explained in the corresponding sections (where applicable).
<b>Balance</b>	The Report aims to provide a balanced presentation of the Group’s ESG efforts in various aspects, including environment, employees, product responsibility and community.
<b>Consistency</b>	The preparation of the ESG Report for the year is consistent with that of the previous years. Changes in report preparation that may have a meaningful impact on the Report’s comparability with reports from previous years are explained in the corresponding sections.

# Environmental, Social and Governance Report

## Contact and Inquiries

Kuaishou places great importance on the views of its stakeholders. The Report is available on the websites of the Company (<https://ir.kuaishou.com/esg/esg-reports-and-other-publishes>) and the Stock Exchange (<https://www.hkexnews.hk>) in both Chinese and English versions. If you have any comments or suggestions on the Report or the Group's sustainability management, you are welcome to contact us through the following channels:

E-mail: [ir@kuaishou.com](mailto:ir@kuaishou.com)

## STATEMENT FROM THE BOARD

The Board of Kuaishou attaches great importance to the profound impact of ESG matters on the Group's risk management and sustainable development. We recognize that a robust governance structure is fundamental to the effective implementation of ESG strategies. To this end, the Group has established a comprehensive three-tier ESG governance structure, designed to ensure comprehensive coverage and effective management of ESG matters.

As the highest authority and decision-making body for ESG matters, the Board bears ultimate responsibility for the Company's ESG management policies, strategies and reporting. The Board has established the Corporate Governance Committee, which is responsible for identifying and assessing ESG risks relevant to the Group's operations, as well as ensuring the establishment of appropriate and effective ESG risk management and internal control systems. The committee regularly reports to and reviews with the Board on the progress of relevant ESG goals, and conducts prudent assessments of trade-offs related to climate-related risks and opportunities during the decision-making process. Under the Corporate Governance Committee authorized by the Board, we have established the ESG Working Group. This group is responsible for coordinating and driving specific ESG initiatives across various functional departments, ensuring sufficient resource allocation and effective implementation of all measures.

Kuaishou values the expectations and requirements of all stakeholders. We maintain close communication with stakeholders through regular internal and external activities, thereby identifying and assessing their views and priorities on various ESG issues. During the Reporting Period, the Board reviewed the material ESG issues for 2025 and approved proposed adjustments to the significance levels of various ESG issues to ensure corporate strategy remains aligned with societal expectations. For details, please refer to the section headed "Materiality Analysis" in the Report. Meanwhile, we will continuously enhance the quality and transparency of ESG disclosures to ensure comprehensive and accurate ESG information is provided to stakeholders, so as to promote the Company's sustainable development and long-term value creation.

The Report details the progress and achievements of Kuaishou's ESG management in 2025, which complied with all applicable "comply or explain" provisions as set out in Parts C and D of the *ESG Reporting Code*. In accordance with the terms of reference of the Corporate Governance Committee, the Board authorized the Corporate Governance Committee as the designated body to oversee ESG management. The Board reviewed and approved the Report on March 25, 2026. Looking ahead, we will continue to collaborate with all stakeholders to contribute to Kuaishou's initiatives for promoting global sustainable development.

# Environmental, Social and Governance Report

## ESG 2025 PERFORMANCE HIGHLIGHTS

### Excellent and Sustainable Governance System

#### Corporate Governance

- Proportion of Non-executive Directors was **75%**
- Proportion of female Independent Non-executive Directors was **12.5%** of the Board
- Established a **Workforce Diversity Policy** and set the diversity targets

#### Business Ethics

- A total of **16,432** new employees completed online training, with a coverage rate of **100%**
- A total of **302** management personnel completed online training, with a coverage rate of **92%**
- The “Integrity Kuaishou” WeChat service account published **13** integrity promotion articles, reaching **26,000** users

#### Supply Chain Management

- Conducted performance assessments and acceptance evaluation for **468** suppliers, representing a year-on-year increase of **70.8%**
- Required all suppliers admitted to sign the **Supplier Admission Commitment Letter**

### Protecting the Environment and Promoting Green Operations

#### Green Operation

- The average PUE value of Kuaishou’s self-built data centers in 2025 was **1.20**, with a minimum achievable value of **1.14**
- The Beijing headquarters office has completed the introduction of municipal reclaimed water, which is expected to cover approximately **20%** of the total water demand of non-toiletry water in toilets
- The harmless disposal rate of electronic waste from Kuaishou’s office premises is **100%**

#### Climate Change Response

- By 2030, Kuaishou’s self-built data center will achieve **100%** renewable energy usage
- By 2030, the Kuaishou headquarters office will achieve **100%** renewable energy use
- Scope 1 and Scope 2 greenhouse gas emissions from self-built data centers will decrease by **30%** by 2030 with 2024 as the base year
- Continuously disclosed Scope 3 greenhouse gas emissions of **160.0** (ten thousand tons CO<sub>2</sub>e), covering 6 major categories
- In 2025, Kuaishou’s self-built data center purchased a total of **583,720.0** MWh of green electricity, accounting for **93.0%** of its total electricity consumption, avoiding a total of **309,721.8** tonnes of CO<sub>2</sub> emissions, effectively reducing the Group’s overall carbon footprint

# Environmental, Social and Governance Report

## Leading the Industry to Create Social Value

### Data Security and Privacy Protection

- Added or revised **6** internal policy documents related to data and information security
- Newly obtained **ISO 42001 AI Management System Certification**, and completed filing according to **GB/T 45654 - 2025 Cybersecurity Technology - Basic Security Requirements for Generative AI Service**
- Completed level protection assessments for **23** systems
- Supported by various AI technologies, the vulnerability fix rate for the main site reached **97.3%**
- AI's accuracy rate in mining horizontal privilege escalation vulnerabilities exceeded **80%**
- Held **15** external vulnerability discovery activities
- Over **35,000** individuals completed information security training and assessments

### Intellectual Property Protection

- Cumulatively submitted **14,265** patent applications globally
- Obtained **7,985** granted patents
- Held **10,969** registered trademarks domestically and internationally
- Completed copyright registration for **7,906** products
- Conducted a total of **9** special training sessions on intellectual property

### Platform Responsibility

- A total of **13.4+** billion views containing environmental-related keywords under the topics with # were published on the Kuaishou platform, and a total of **800+** million views containing gender equity-related keywords under the topics with # were released on the Kuaishou platform
- Manual review rules for minors have increased to more than **120** items
- Added a new large model for fraud review, improving the efficiency of fraudulent account disposal by **90%**
- Intercepted **4.58 million** pieces of cyberbullying information and disposed of approximately **73,000** accounts
- Over **6,000** people participated in content review training, with a total of over **20,000** special training sessions

### Standard Ecosystem Development

- Kuaishou participated in **185** international, national, industry, and group standards
- Kuaishou led **14** international, national, industry, and group standards

### E-commerce and Advertising Governance

- Simplified and clarified governance and evaluation mechanisms, among which the word-of-mouth score of delivering goods was reasonably simplified, leading to a significant year-on-year decrease of approximately **67%** in merchant inquiries and appeals
- Optimized intelligent review, reducing store opening review delay by **86%** year-on-year
- More than **2.67 million** products were avoided from being removed from the shelves in the AI intelligent assistance link of product release, saving GMV of over RMB **38 million** for merchants
- Optimized the store rating logic and provided AI diagnostic tools, thus the number of merchant inquiries decreased by **63%** year-over-year

### Social Responsibility

- Donated approximately RMB **75.29 million** to public welfare projects
- Total public welfare contribution hours reached **28,648** hours
- Cumulative exposure of public welfare promotion content throughout the year reached **100 million**, with **200,000** interactions

# Environmental, Social and Governance Report

## Employee Development and Care

### Diversity, Equity and Inclusion

- Proportion of female employees was **44.7%**
- Proportion of female managers was **33.2%**
- Regular full-time employees came from **12** countries and **36** ethnic groups
- Proportion of employees from China's ethnic minority groups was nearly **6.9%**

### Talent Training

- Kuaishou Middle School offered a total of **4,767** courses
- The total training hours for Kuaishou Middle School reached **1.16 million** hours

### Employee Benefits and Communication

- Received the **Best Employer-related HR Awards** from **10** recruitment agencies and platforms
- Employee participation rate in organizational capability survey reached **94%**
- Overall annual eNPS<sup>1</sup> reached **89.5%**, representing a year-on-year increase of **5.2%**

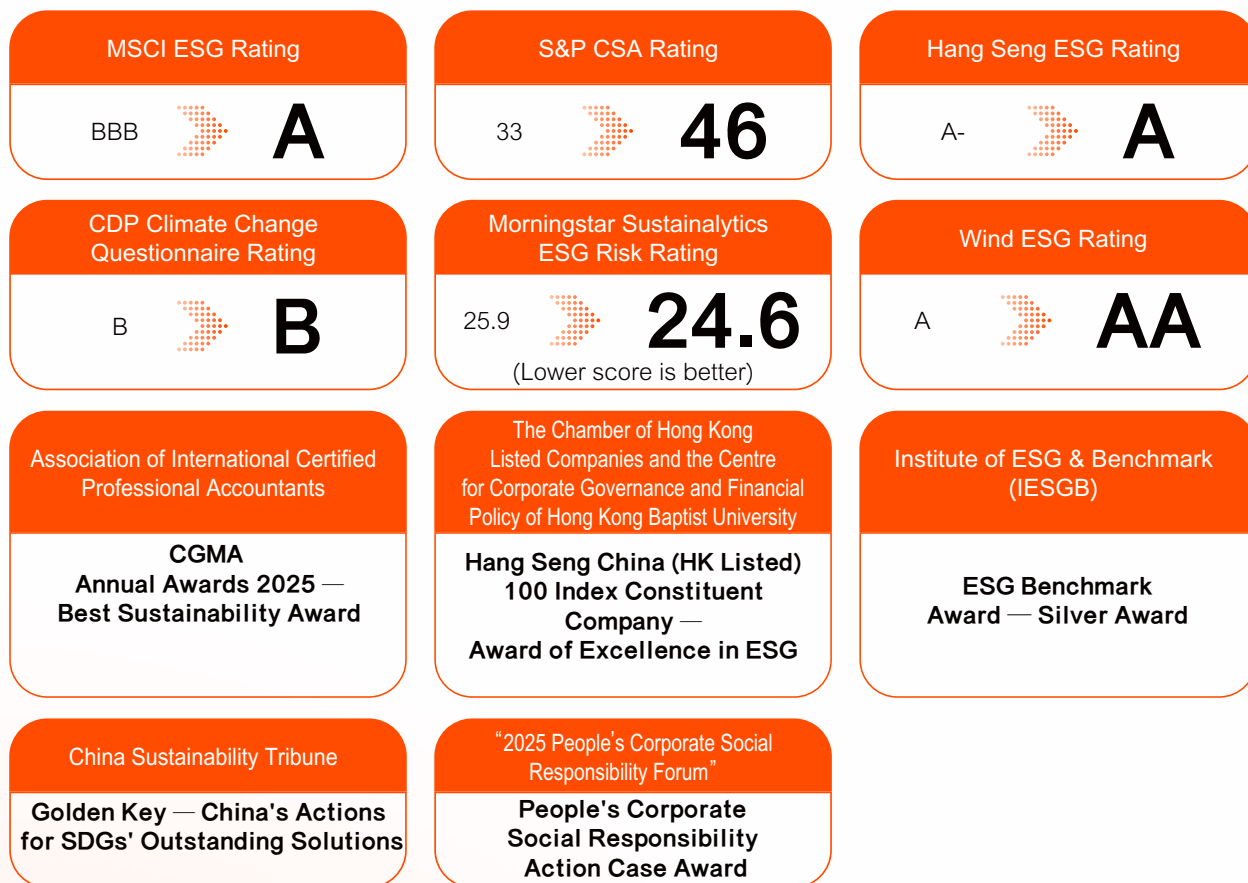
### Health and Safety

- Conducted **240** workplace hazard investigation and rectification actions, identifying and registering **3,890** hazard items
- Held **19** "First Aiders" training sessions, with over **6,002** employees trained and obtained first aid certifications accumulatively

<sup>1</sup> eNPS refers to Employee Net Promoter Score

# Environmental, Social and Governance Report

## ESG AWARDS AND RECOGNITION



# Environmental, Social and Governance Report

## 1. EXCELLENT SUSTAINABLE GOVERNANCE SYSTEM

Kuaishou is committed to building an excellent and resilient governance system. We have enhanced our ESG and corporate governance framework to effectively safeguard shareholders' rights and drive sustainable development. Meanwhile, we adhere to the principle of integrity in all our operations by implementing a zero-tolerance anti-corruption mechanism and strengthening supplier management to actively promote responsible and green procurement. These efforts form a solid foundation for the Company's long-term value and sustainable growth.

### 1.1 ESG Governance

#### *ESG Governance Structure*

Kuaishou has established a comprehensive three-tier ESG governance structure, comprising the Board, management level and execution level. This structure clearly defines the responsibilities and goals of each level, forming an efficient operational mechanism. During 2025, Kuaishou updated the terms of reference of the Corporate Governance Committee, adding the ESG and climate-related responsibilities and authorities to align with the latest requirements of the *ESG Reporting Code* while ensuring governance transparency.

# Environmental, Social and Governance Report

<p style="text-align: center;"><b>Governance Level</b></p>	<p><b>Board</b></p> <p><b>Main responsibilities</b> The Board has ultimate decision-making authority and is responsible for the final review of the Group's ESG-related strategies and associated reports</p> <p><b>ESG training</b> ESG-related training sessions were arranged for the Board during the Reporting Period to ensure its professional understanding and competency in ESG-related matters</p>
	<p>Periodic report ↑ ↓ Supervision and review</p>
	<p><b>Corporate Governance Committee</b></p> <p><b>Main responsibilities</b></p> <ul style="list-style-type: none"> <li>Overseeing the Company's overall ESG management, and reviewing and making decisions on significant ESG and climate change-related matters</li> <li>Formulating medium-to-long-term development strategies and objectives, and reviewing the achievement of ESG goals (including climate-related goals)</li> <li>Overseeing and managing the identification, reporting and mitigation measures for climate-related risks</li> <li>Providing the Board with professional advice and decision-making support on topics including climate changes, along with progress reports on day-to-day work</li> <li>Reviewing and approving the annual ESG report to ensure its content is accurate, truthful and complete</li> </ul> <p><b>Meeting frequency</b> 2 Corporate Governance Committee meetings were held during the Reporting Period to discuss and review the ESG-related issues</p>
<p style="text-align: center;"><b>Management Level</b></p>	<p style="text-align: center;">Periodic report ↑ ↓ Decision-making</p> <p><b>ESG Working Group</b></p> <p><b>Main responsibilities</b></p> <ul style="list-style-type: none"> <li>Coordinating and guiding ESG practices across departments, and implementing strategies and projects formulated by the Corporate Governance Committee</li> <li>Regularly reviewing the achievement of ESG goals and indicators (including climate-related goals) so as to ensure the efficiency and continuity of ESG initiatives</li> <li>Exploring and making decisions on key ESG management issues to provide direction for the Group's ESG management work</li> <li>Reviewing the execution of ESG goals and the performance of various KPIs, and conducting a review based on the achievement of goals and highlighted performance</li> </ul> <p><b>Meeting frequency</b> More than 4 dedicated meetings are held annually to delve into strategic climate change related issues, policy trends and industry best practices, so as to comprehensively assess climate-related risks and opportunities through methods such as quantitative analysis and scenario simulation, and regularly communicate with and report to the Corporate Governance Committee on evaluation results</p>
	<p>Attainment feedback ↑ ↓ Resource assurance</p>
	<p><b>Departments Forming the ESG Working Group</b></p> <p><b>Main responsibilities</b></p> <ul style="list-style-type: none"> <li>Implementing relevant initiatives proposed by the ESG Working Group and advancing the Company's ESG affairs</li> <li>Regularly reporting work progress to the ESG Working Group to ensure effective execution of ESG initiatives</li> </ul>
<p style="text-align: center;"><b>Execution Level</b></p>	

## COMMUNICATION WITH STAKEHOLDERS

Kuaishou highly values the opinions and suggestions of its stakeholders and has established multi-channel communication mechanisms to actively listen to feedback from users, employees, Shareholders and investors, suppliers/partners, government and regulatory bodies, media and non-governmental organizations (NGOs) and communities. We strive to understand and respond to the expectations and requirements of internal and external stakeholders, continuously enhance corporate information transparency, and create sustainable value for all stakeholders. The table below identifies our major stakeholders along with their expectations and requirements, as well as communication and response mechanisms implemented by Kuaishou:

# Environmental, Social and Governance Report

## Expectations and Requirements from Stakeholders, Communication and Responses

Stakeholders	Expectations and Requirements	Communication and Responses
Users	<ul style="list-style-type: none"> <li>• Good user experience with products</li> <li>• A healthy Internet environment</li> <li>• Continuous improvement of product and service quality</li> <li>• Emphasis on customer communication and feedback</li> <li>• Commitment to the protection of minors</li> </ul>	<ul style="list-style-type: none"> <li>• Developing new technologies and improving products to meet user needs</li> <li>• Fostering a healthy community ecosystem</li> <li>• Protecting user privacy</li> <li>• Carrying out theme-based activities to communicate with users</li> <li>• Continuously optimize features and technologies for the protection of minors</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• All-round protection of rights and interests</li> <li>• Compensation, welfare and employee care</li> <li>• Offering training that provides objective and fair career development opportunities</li> <li>• Corporate culture embracing diversity</li> <li>• Creating good working environment</li> <li>• Employee communication</li> </ul>	<ul style="list-style-type: none"> <li>• Establishing an employee protection system</li> <li>• Providing professional development training and coaching for employees</li> <li>• Carrying out employee-care activities</li> <li>• Improving the working environment</li> <li>• Providing employee feedback channels</li> </ul>
Shareholders and investors	<ul style="list-style-type: none"> <li>• Compliant operations</li> <li>• Timely, accurate and transparent corporate information compliance disclosure</li> <li>• Stable operations and reasonable return on investment</li> </ul>	<ul style="list-style-type: none"> <li>• Announcing financial results and other business information in an open, transparent and timely manner</li> <li>• Holding Shareholders' general meetings, "Investor Day" events, investor meetings and roadshows regularly to communicate with Shareholders and investors</li> <li>• Giving prompt reply to the enquiries of Shareholders and investors</li> </ul>
Suppliers/partners	<ul style="list-style-type: none"> <li>• Long-term and in-depth cooperation</li> <li>• Timely access to information</li> <li>• Mutual support and growth</li> </ul>	<ul style="list-style-type: none"> <li>• Promoting compliant and valuable cooperation</li> <li>• Carrying out regular supplier surveys and interviews to strengthen communication and exchange</li> </ul>

## Environmental, Social and Governance Report

Stakeholders	Expectations and Requirements	Communication and Responses
Government and regulatory bodies	<ul style="list-style-type: none"> <li>• Compliance with laws and regulations</li> <li>• Paying taxes in accordance with law</li> <li>• Helping the government improve social issues (underprivileged groups etc.)</li> </ul>	<ul style="list-style-type: none"> <li>• Boosting the local economy, promoting rural economic development and supporting rural revitalization</li> <li>• Assisting the operations of government social media accounts to promote positive social impact</li> <li>• Collaborating on projects to help government bodies fix social issues</li> <li>• Resolutely opposing money laundering, corruption, monopolistic practices and unfair competition</li> </ul>
Media and NGOs	<ul style="list-style-type: none"> <li>• Open and transparent information</li> <li>• Active cooperation</li> <li>• Innovative forms of charity activities</li> <li>• Facilitating charity promotions</li> </ul>	<ul style="list-style-type: none"> <li>• Active involvement in media communication</li> <li>• Cooperation in promoting charity projects</li> <li>• Establishing strategic partnerships with multiple charity organizations</li> <li>• Leveraging Internet technology to enable new modes of charity</li> <li>• Increasing media exposure for charity initiatives</li> </ul>
Society	<ul style="list-style-type: none"> <li>• Rural revitalization</li> <li>• Inclusive digital technology</li> <li>• Contributions to social public welfare</li> </ul>	<ul style="list-style-type: none"> <li>• Implementing rural revitalization initiatives and primary-level governance empowerment initiatives to support local economic development</li> <li>• Launching social responsibility projects such as child and minors protection, care for the elderly, employment assistance for the disabled, support for veterans, emergency rescue, post-disaster reconstruction and donations</li> <li>• Carrying out education and science learning programs, intangible cultural heritage promotion, environmental protection, support for industries and other charitable activities</li> </ul>

# Environmental, Social and Governance Report

Kuaishou is committed to actively responding to stakeholders' concerns through diverse communication channels and proactively disclosing the Company's latest progress in ESG field. To meet stakeholders' diverse information needs, we have established a dedicated ESG section on our official website, comprehensively presenting our sustainability philosophy, practical initiatives, policy documents, related reports, as well as updated ratings and award information. During the Reporting Period, the Company's MSCI ESG Rating was upgraded from BBB to A, and the Company achieved a score of 46 in the S&P Global Corporate Sustainability Assessment (S&P Global CSA), a significant increase from the score of 33 in 2024. This progress fully demonstrated our relentless efforts in implementing ESG strategies and objectives, as well as our performance in sustainable development.

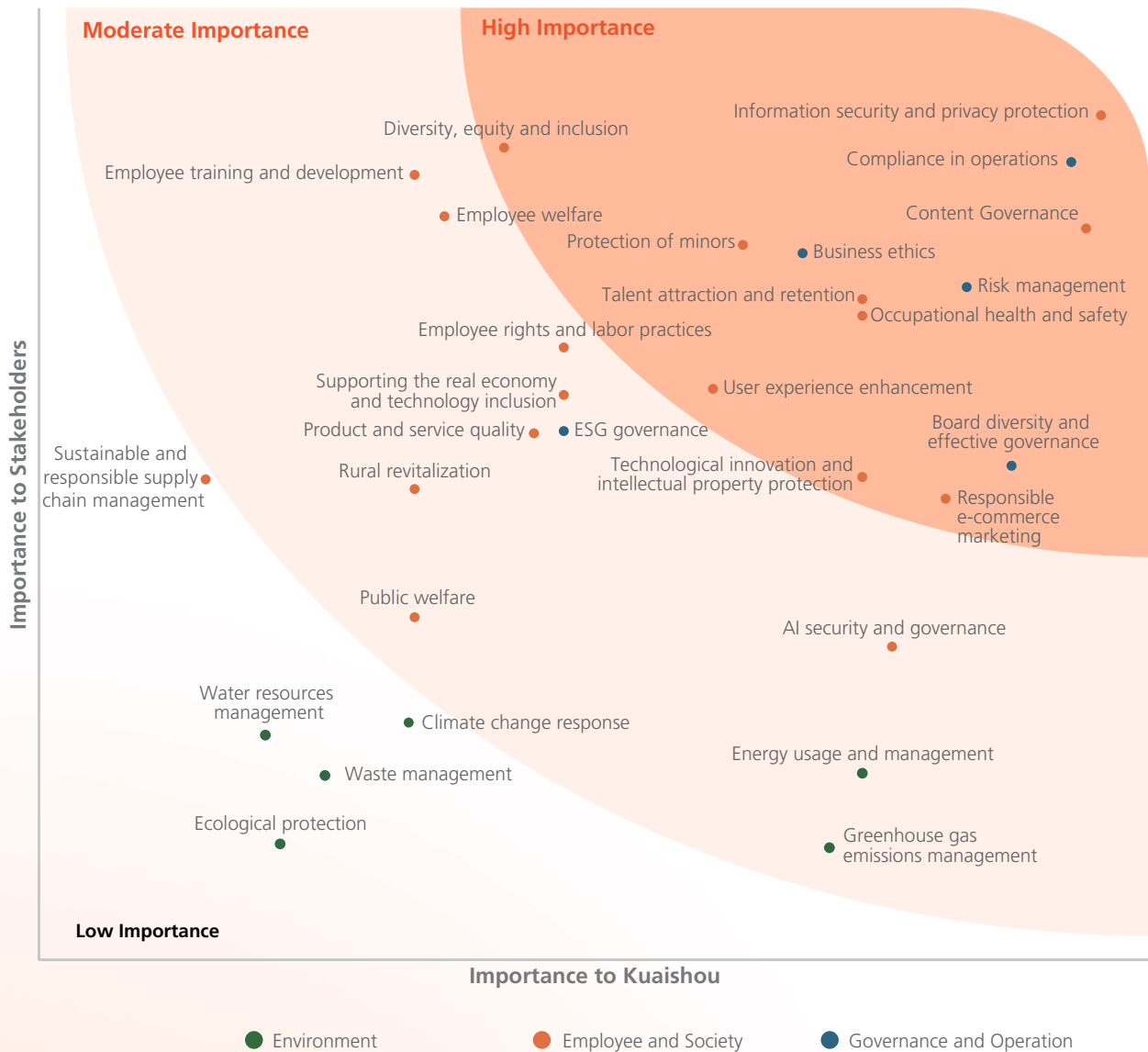
## MATERIALITY ANALYSIS

Materiality assessment helps the Group to identify sustainability-related risks and opportunities, and clarify the direction for improvement. Therefore, we maintain regular communication with various stakeholders and conduct materiality assessments to review and report on our sustainability approach and reporting. The materiality assessment process primarily consists of 4 steps: identification, engagement, prioritization and confirmation.

<b>Identification of Material Issues</b>	By referencing ESG disclosure standards such as the Stock Exchange's <i>ESG Reporting Code</i> and the <i>Global Reporting Initiative</i> , ESG rating guidelines, industry benchmarking and the Company's own development status, the Group established a series of material issues. In 2025 materiality assessment, we consolidated and identified 29 material issues, of which 6 are environmental issues, 18 are social issues and 5 are governance issues.
<b>Engagement of Stakeholders</b>	We collect feedback on the importance of issues through emails, WeChat official accounts, system notifications, and surveys, consolidating stakeholder suggestions.
<b>Prioritization of Material Issues</b>	After consolidating opinions from various stakeholders and representatives of the Group's management, we constructed a materiality matrix based on the 2 dimensions of "importance to Kuaishou" and "importance to stakeholders", and identified key issues based on their ratings.  The issues will be categorized and ranked into 3 tiers: highly important, moderately important and generally important.
<b>Confirmation of Issues</b>	Key issues across various domains are identified, and the results are submitted to the Corporate Governance Committee for discussion, review and approval.

# Environmental, Social and Governance Report

Matrix of Material ESG Issues of Kuaishou in 2025



Through the analysis of materiality issues, Kuaishou identified 13 "High Importance", 11 "Moderate Importance" and 5 "Low Importance" issues. This report has detailed 29 ESG material issues in the corresponding sections. In addition, our actions are aligned with the United Nations Sustainable Development Goals (UN SDGs), ensuring that corporate contributions effectively contribute to the common goal of global sustainability.

# Environmental, Social and Governance Report

Section	Corresponding UNSDGs	Materiality Issues Response
<b>Excellent Sustainable Governance System</b>	  	<ul style="list-style-type: none"> <li>• ESG governance</li> <li>• Board diversity and effective governance</li> <li>• Risk management</li> <li>• Compliance in operations</li> <li>• Business ethics</li> <li>• Sustainable and responsible supply chain management</li> </ul>
<b>Protecting the Environment and Promoting Green Operations</b>	   	<ul style="list-style-type: none"> <li>• Climate change response</li> <li>• Greenhouse gas emissions management</li> <li>• Waste management</li> <li>• Water resources management</li> <li>• Ecological protection</li> </ul>
<b>Leading the Industry in Creating Social Value</b>	    	<ul style="list-style-type: none"> <li>• Information security and privacy protection</li> <li>• Supporting the real economy and technology inclusion</li> <li>• AI security and governance</li> <li>• Technological innovation and intellectual property protection</li> <li>• Content Governance</li> <li>• Protection of minors</li> <li>• Responsible e-commerce marketing</li> <li>• Product and service quality</li> <li>• User experience enhancement</li> <li>• Rural revitalization</li> <li>• Public welfare</li> </ul>
<b>Employees' Development and Care</b>	   	<ul style="list-style-type: none"> <li>• Employee rights and labor practices</li> <li>• Talent attraction and retention</li> <li>• Employee welfare</li> <li>• Employee training and development</li> <li>• Occupational health and safety</li> </ul>

# Environmental, Social and Governance Report

## 1.2 Corporate Governance

### *Board Diversity*

Kuaishou is committed to fostering diversity on its Board of Directors and has implemented the *Board Diversity Policy* and the *Board Nomination Policy*. Kuaishou's Nomination Committee evaluates candidates based on a comprehensive range of factors, including gender, age, cultural background, professional skills, industry experience, and tenure. This aims to incorporate diverse perspectives to enhance the effectiveness of fulfilling fiduciary responsibilities. As of December 31, 2025, the Board consisted of 2 executive Directors, 3 non-executive Directors, and 3 independent non-executive Directors, including 1 female Director.

For details regarding Kuaishou's Board Diversity in 2025, please refer to the section headed "Corporate Governance Report — Board Diversity Policy" of the annual report.

### *Risk Management*

Kuaishou recognizes that an effective risk management and internal control system is the cornerstone for protecting the Company from potential threats, ensuring robust business operations, and creating long-term value. We have established a comprehensive risk governance framework led by the Board. The Board is fully responsible for assessing the nature and extent of risks associated with achieving its strategic goals, and for maintaining an effective management system. The Audit Committee is responsible for continuously monitoring the implementation of policies, reviewing the internal control system, and comprehensively advancing the construction of the system.

The management is dedicated to improving the system, and has strengthened the internal control and internal audit functions during the Reporting Period. The "Three Lines of Defense" model has been formally adopted by the Company as the organizational structure, clearly defining the responsibilities, policies, and processes for all parties involved. Furthermore, we conduct annual risk assessment reviews, which encompass ESG and climate-related risks. Based on the assessment outcomes, risks are prioritized, and corresponding response measures are formulated accordingly.

For details on Kuaishou's risk management in 2025, please refer to the section headed "Corporate Governance Report — Risk Management and Internal Controls" of the annual report.

# Environmental, Social and Governance Report

## 1.3 Business Ethics

The Group consistently adheres to the principle of integrity in its operations and maintains a zero-tolerance policy towards any form of unethical behavior, including corruption, bribery, and money laundering. We continuously refine our business ethics management policies and framework to strictly regulate the Group's operational conduct. Simultaneously, we are committed to strengthening employees' ethical awareness and ensuring the effectiveness of whistleblowing mechanisms. We collaborate with partners to build a fair and transparent business environment. By enhancing governance transparency, we continuously bolster internal and external trust in the Group, laying a solid foundation for its sustained and healthy development.

### 1.3.1 Anti-Corruption

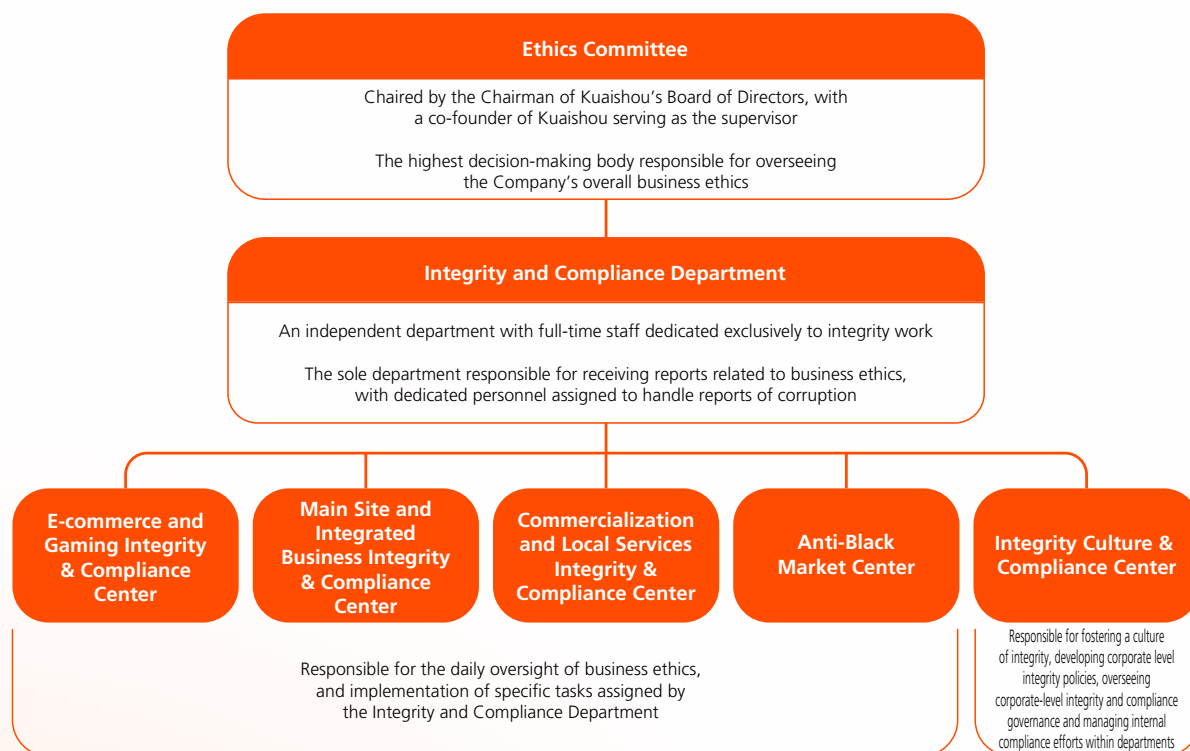
#### *Regulations and Systems*

Kuaishou strictly adheres to the laws and regulations of the countries or regions where it operates, including the *Criminal Law of the People's Republic of China*, the *Foreign Corrupt Practices Act (FCPA)* of the United States, and the *Bribery Act 2010 of UK*. Additionally, the Group has established multiple anti-corruption systems, including the *Kuaishou Gift Declaration and Management Guidelines* and the *Kuaishou Employee Traffic Resource Usage/Allocation Conflict of Interest Management Guidelines*, the *Anti-Corruption Policy Statement* and the *Kuaishou Framework Guidelines for Avoiding Conflicts of Interest*, which clearly outlined the professional ethics of the Company's directors, management and ordinary employees.

# Environmental, Social and Governance Report

## Integrity and Compliance Management Structure

Kuaishou has established a top-down integrity and compliance governance structure. The Ethics Committee serves as the highest decision-making body, while the Integrity and Compliance Department manages and coordinates 5 functional centers to collectively uphold corporate integrity and compliant operations.



In 2025, among the employee corruption cases we legally transferred to public security authorities, two cases received a litigation result (including cases referred in previous years) during the Reporting Period. We pay close attention to any suspected corruption-related actions, and will make an internal notification and transfer it to the police for handling if discovered.

During the Reporting Period, Kuaishou's Integrity and Compliance Department, in collaboration with the police, successfully investigated and resolved multiple cases involving external gangs extorting streamers. These criminal groups systematically demanded "protection fees" and "promotion fees" from streamers through tactics such as malicious reporting and fabricating negative publicity. In the crackdown operations, 8 external suspects were subjected to compulsory criminal measures on suspicion of extortion. This action demonstrated our unwavering commitment to combating crime and protecting user safety.

# Environmental, Social and Governance Report

## 1.3.2 Anti-Money Laundering

### Regulations and Systems

To align with the implementation of the newly revised *Anti-Money Laundering Law of the People's Republic of China*, Kuaishou actively established a cross-departmental coordination mechanism, drafted and published the *Kuaishou Anti-Money Laundering Policy Statement*, establishing the regulatory framework for the Group's money laundering risk management. We have formulated several core systems, including the *Anti-Money Laundering and Counter-Terrorist Financing Management Measures*, and *Money Laundering Risk Self-Assessment Management Measures*, and implementation rules for seven key management areas: Customer Due Diligence, Preservation of Identity Information and Transaction Records, Risk Rating Classification, Monitoring and Reporting of Large-Value and Suspicious Transactions, Special Preventive Measures, Product and Business Risk Assessment and Beneficial Owner Identification. This policy system comprehensively covers the entire corporate value chain from supplier management and internal operations to the customer end, providing all-around safeguards against money laundering activities. This builds a robust compliance defense, ensuring the Company operates steadily within the legal framework.

During the Reporting Period, the Group was not involved in any money laundering cases. The Group is also not aware of any incidents related to employees being dismissed or disciplined for insider trading or money laundering, and of contracts with business partners being terminated due to money laundering activities.

### Normalized Management

Kuaishou has established a comprehensive and routine anti-money laundering (AML) management, enhancing internal controls, advancing technological applications, and strengthening employee training to continuously improve AML management practices.

We have established a robust "Three Lines of Defense" management structure for AML, fulfilling domestic and overseas AML laws and regulations, ensuring comprehensive management and follow-up on all AML-related activities of the Group to maintain the stability and continuous optimization of the Group's financial security system.

<b>The First Line of Defense: Various Business Departments</b>	Responsible for the execution and response to AML risk control measures
<b>The Second Line of Defense: Risk Control and Compliance Department</b>	Formulating AML-related policies, planning and developing relevant risk control system construction
<b>The Third Line of Defense: Internal Audit Department</b>	Monitoring management and continuously improving the risk management and internal control systems related to AML

# Environmental, Social and Governance Report

## Kuaishou's AML Management Measures

<b>Application of AI Technology</b>	<p>Kuaishou leverages big data and AI models for proactive warnings, precise interception, and intelligent analysis:</p> <ul style="list-style-type: none"><li>• <b>Fraud Prevention and Control:</b> By optimizing real-time monitoring models and coordinated response mechanisms to effectively intercept various types of suspected fraudulent transactions, reduce customer fraud complaint rates, and safeguard customer fund security and transaction experience.</li><li>• <b>Money Laundering Monitoring:</b> Continuously improving the suspicious transaction monitoring system, strengthening customer due diligence and risk classification management, and assisting relevant authorities in investigations to effectively fulfill the AML compliance obligations and maintain the Company's reputation and financial order.</li></ul>
<b>Performance Evaluation Mechanism</b>	<p>Our evaluation mechanism implements dynamic, full-process management, linking the performance indicators and departmental and individual performance to tangibly enhance the Company's overall money laundering risk defense capabilities and protect corporate reputation and financial security. It focuses on four key assessment dimensions:</p> <ul style="list-style-type: none"><li>• <b>Risk Control Effectiveness:</b> By monitoring outcome-based indicators such as the management rate of high-risk customers and the quality of suspicious transaction reports to ensure precise allocation of resources to the highest-risk areas.</li><li>• <b>Compliance and Regulatory Adherence:</b> Strictly adhering to compliance baselines focused on regulatory inspection outcomes, remediation completion rates, and the timeliness of risk assessments.</li><li>• <b>Operational and Process Efficiency:</b> Assessing the timeliness and quality of key processes such as Customer Due Diligence and warning handling to ensure efficient mechanism operation.</li><li>• <b>Strategic and Value Contribution:</b> Evaluating the conversion of risk self-assessment outcomes and proactive support for business to drive the transformation of AML management from a cost center to a value-adding partner.</li></ul>
<b>Enhancing Internal Controls</b>	<ul style="list-style-type: none"><li>• <b>System Development:</b> Formulating and improving relevant systems to ensure all business processes comply with regulatory requirements.</li><li>• <b>Risk Assessment:</b> Conducting regular money laundering risk assessments to identify potential risks and implement corresponding control measures.</li><li>• <b>Supervision and Inspection:</b> Ensuring effective implementation of AML policies through internal audits and compliance checks, promptly identifying and correcting issues.</li></ul>

# Environmental, Social and Governance Report

## Strengthening Employee Training and Awareness

- Regularly organizing AML training to enhance employees' awareness and understanding of AML efforts;
- Employing a "online + offline" approach to carry out customized publicity and foster a compliance culture;
- In 2025, conducting a total of 38 AML promotion and training sessions, comprising 9 training sessions and 29 promotion campaigns;
- Conducting tiered and targeted compliance training and implementing differentiated promotion for various employee groups.

### 1.3.3 Anti-Monopoly and Anti-Unfair Competition

#### *Regulations and Systems*

Kuaishou firmly believes that only by adhering to the principles of mutual benefit, win-win cooperation, and fair competition can we earn the trust of customers, partners, and society. We strictly comply with laws, regulations, and supporting rules such as the *Anti-Monopoly Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, and the *Provisions on the Review of Concentrations of Undertakings*. In 2025, we revised internal systems such as the *Kuaishou Antitrust Compliance Handbook* and *Kuaishou Concentration of Undertakings Compliance Guidelines* to avoid various forms of monopolistic and unfair competitive practices.

During the Reporting Period, the Group was not involved in any cases related to anti-monopoly.

#### *Engagement with Regulators and Industry Exchange*

We actively submitted feedback on multiple draft anti-monopoly laws, regulations, and compliance guidelines to legislative bodies and regulators in 2025. This feedback, grounded in the practical realities of platform operations, focuses on key areas such as the practicality of rule implementation and the protection of innovation, offering constructive suggestions. We have also participated in industry seminars and discussions, demonstrating the responsibility of an accountable platform enterprise.

# Environmental, Social and Governance Report

## 1.3.4 Integrity Culture and Reporting Channels

### *Shaping an Honest Work Environment and Corporate Culture*

Kuaishou is consistently committed to strengthening the promotion and implementation of internal business ethics and anti-corruption policies. We have established a comprehensive, multi-faceted integrity training system, ranging from integrity education for new hires and specialized training organized by business departments to integrity and compliance training for management and annual integrity examinations for all employees. This ensures that awareness of integrity is instilled across all employees. Furthermore, we actively disseminate integrity culture advocacy articles through internal and external communication platforms to foster an ethical and transparent workplace environment. In 2025, the coverage rate for the company-wide mandatory integrity examination reached 98.87%, effectively ensuring that all employees comprehensively understand and adhere to laws, regulations, and professional ethics standards, collectively fortifying the defense line of ethical operations.

### **Training Results of Kuaishou’s Integrity and Compliance System in 2025**

<b>General Introduction of Rules to New Employees</b>	<ul style="list-style-type: none"> <li>• A total of 16,432 new employees completed online training, achieving a coverage rate of 100%.</li> </ul>
<b>Special Training for Business Departments</b>	<ul style="list-style-type: none"> <li>• 9 offline business-related training sessions were conducted, covering all key business departments and a total of 1,275 participants;</li> <li>• Online training courses tailored to specific business areas were optimized, covering commercialization, lifestyle services, and other departments;</li> <li>• A total of 161 offline training sessions for frontline workplace integrity courses were conducted, covering 2,219 participants from functional teams and frontline workplaces;</li> <li>• 27 newly certified integrity lecturers were added and integrity lecturers were organized to produce 8 promotional scenario videos.</li> </ul>
<b>Integrity and Compliance Training for Management</b>	<ul style="list-style-type: none"> <li>• 2 anti-corruption training sessions for the Board of Directors were conducted;</li> <li>• A total of 302 managers participated in online training, achieving a coverage rate of 92%.</li> </ul>
<b>Special Promotion on Integrity and Compliance</b>	<ul style="list-style-type: none"> <li>• The internal “Integrity Kuaishou” channel released a total of 51 integrity culture articles, with an average total read count exceeding 10,000;</li> <li>• The “Integrity Kuaishou” WeChat service account reached 26,424 users, releasing a total of 13 integrity culture promotion articles in 2025, with the highest single-article read count reaching 4,399.</li> </ul>

# Environmental, Social and Governance Report

## Integrity and Compliance Training and Promotion for Suppliers

- Kuaishou continued its routine communication with suppliers, which included holiday-themed WeChat message and email campaigns, post-bid briefings, and on-site visits and audits during collaborations;
- Prior to traditional holidays such as the Mid-Autumn Festival, Dragon Boat Festival, and Spring Festival, the Integrity Team sends integrity greeting letters via email and internal platforms, advocating for an ethical, transparent and healthy business environment with partners. In 2025, the Integrity and Compliance Department led visits to a total of 67 partners, covering various types such as service providers, agents, suppliers and talent agencies. Through thematic interviews, we gained an in-depth understanding of the practical problems and difficulties encountered by partners in business operations, and conducted research and exchanges on potential integrity risks and corresponding prevention and control measures involved.

### *Diversified Reporting Channels*

Kuaishou has established comprehensive and diversified business ethics monitoring and reporting channels, covering multiple portals such as the official website and agent platforms. We encourage employees, suppliers, agents, clients, and the third-party partners to report incidents of corruption, bribery, and fraud. The reporting channels support both real-name and anonymous reporting. Kuaishou is committed to strictly protecting the confidentiality of whistleblower information and content and strictly prohibits any form of retaliation. In the event of disclosure of reporting information or retaliation against whistleblowers, witnesses, or investigators, we will impose strict penalties in accordance with the *Kuaishou Employee Code of Conduct*; in serious cases, the matter will be transferred to judicial authorities for legal action, making every effort to uphold a fair and trustworthy business environment.

In 2025, we introduced the external WeChat service account “Integrity Kuaishou”, allowing all relevant external parties to report violations through this channel, thereby broadening the entry points for integrity reporting.

### **Business Ethics Monitoring and Reporting Channels**

- Integrity Reporting Email: [lianzheng@kuaishou.com](mailto:lianzheng@kuaishou.com)
- Official Website Reporting URL: <https://jubao.kuaishou.com/#/?channel=KSPC>
- WeChat Service Account: Integrity Kuaishou
- 7\*24 Reporting Hotline Voicemail: 153 1191 5813
- Internal Integrity Assistant Consultation

# Environmental, Social and Governance Report

## 1.4 Supply Chain Management

The Group is committed to building a sustainable supply chain, insisting on selecting suppliers that meet social responsibility, environmental responsibility, and ethical standards. Through a comprehensive supplier lifecycle management system, we establish clear standards in environmental protection, labor practices, data security, and business ethics, ensuring partners align with the Group's values. Furthermore, we actively leverage digital procurement platforms and AI technology to achieve precise management and real-time monitoring of supplier information, strengthening risk control from the source to ensure supply chain operations are both efficient and compliant with the highest integrity standards.

### 1.4.1 Supplier Compliance Management

#### *Regulations and Systems*

To ensure the quality of supplier products and services, Kuaishou has formulated multiple policies and systems, including the *Kuaishou Supplier Management System*, *Kuaishou Supplier Certification Management Process*, *Kuaishou Supplier Selection Management System*, *Kuaishou Supplier Performance Management Process*, and *Kuaishou Supplier Daily Management Process*. These systems cover the control mechanisms for all lifecycle stages: entry, selection, evaluation, assessment, and exit.

During the Reporting Period, we had a total of 3,506 cooperative suppliers, of which 3,180 were from Chinese Mainland, 79 were from the Hong Kong SAR, Macao SAR, and Taiwan region, and an additional 247 were from overseas regions.

#### *Lifecycle Management*

To ensure the most suitable suppliers can be selected in the shortest possible time, Kuaishou comprehensively optimized the procurement process and carried out a renewal and upgrade of the procurement system in 2025. The new system simplifies the operational processes for key documents, and significantly enhances application efficiency and convenience.

In terms of management standards, we require all newly admitted suppliers to sign the GPA<sup>2</sup>. The agreement covers core clauses including the definition of procurement professional terms, intellectual property, data security and privacy protection, integrity commitment, import-export compliance, and supplier due diligence. Through the standardization of the GPA, it not only gives the procurement system and process higher legal validity, but also ensures the mutual understanding of management requirements, thereby significantly shortening approval time. Furthermore, we have established a robust complaint feedback mechanism, actively listening to the voices of our partners, continuously optimizing supplier lifecycle management, and building a transparent and efficient cooperative ecosystem.

<sup>2</sup> GPA refers to General Purchase Agreement.

# Environmental, Social and Governance Report

## Supplier Lifecycle Management System

<b>Supplier Admission</b>	<ul style="list-style-type: none"><li>• We signed the <i>Supplier Admission Commitment Letter</i> with suppliers, which includes confidentiality, data security, integrity, and ESG-related agreements, to ensure admitted suppliers are secure, compliant, and low-risk;</li><li>• We conducted supplier verification prior to framework tendering. Key review areas include: legality and basic qualifications, financial stability and risk, production capacity and resources, quality assurance systems, supply chain management, and delivery capability;</li><li>• We performed multi-dimensional risk analysis on suppliers covering legal and operational aspects to strengthen preemptive risk management;</li><li>• Kuaishou has built a supplier ESG risk assessment framework, requiring suppliers to meet standards in environmental protection, occupational health and safety, business ethics, and social responsibility during admission certification, aiming to comprehensively mitigate potential ESG risks in the supply chain;</li><li>• To ensure business continuity and improve procurement efficiency, we prioritized centralized procurement, we strictly prohibited actions such as splitting orders to bypass centralized procurement. In 2025, standardized contracts accounted for 62.8% of the total contracts signed for the year.</li></ul>
<b>Supplier Selection</b>	<ul style="list-style-type: none"><li>• Kuaishou rigorously follows the principle of prioritizing standards and strategies during the selection process to ensure fairness and impartiality in the shortlisting and selecting suppliers, ensuring equal opportunities for suppliers that meet the appropriate criteria;</li><li>• We promoted online processes to ensure transparency and standardization, prohibiting under-the-table operations to guarantee fairness and compliance in supplier selection.</li></ul>

# Environmental, Social and Governance Report

<p><b>Supplier Performance Assessment</b></p>	<ul style="list-style-type: none"> <li>• We conducted comprehensive post-fulfillment performance evaluations to assess suppliers' compatibility with us, rewarding outstanding suppliers and adjusting strategies for those that underperform;</li> <li>• In 2025, Kuaishou continued to conduct performance assessments and acceptance evaluations for 468 suppliers, representing a 70.8% increase compared to 2024.</li> <li>• The main performance assessment indicators include:             <table border="1" data-bbox="619 620 1399 1461"> <tr> <td data-bbox="627 631 770 707"><b>Technology (T)</b></td> <td data-bbox="794 631 1399 707">To assess suppliers' technological capabilities, research and development capabilities, patents, productivity, processes, etc.</td> </tr> <tr> <td data-bbox="627 717 770 793"><b>Quality (Q)</b></td> <td data-bbox="794 717 1399 793">To assess suppliers' quality of products, service and management, etc.</td> </tr> <tr> <td data-bbox="627 804 770 879"><b>Responsiveness (R)</b></td> <td data-bbox="794 804 1399 879">To assess suppliers' responsiveness, communication efficiency and willingness to cooperate during their cooperation with Kuaishou.</td> </tr> <tr> <td data-bbox="627 890 770 965"><b>Delivery (D)</b></td> <td data-bbox="794 890 1399 965">To assess the results of supplier performance evaluation, including delivery quality, timeliness, quantity, etc.</td> </tr> <tr> <td data-bbox="627 976 770 1052"><b>Cost (C)</b></td> <td data-bbox="794 976 1399 1052">To assess strengths and weaknesses of the suppliers' transaction price, commercial terms and total cost.</td> </tr> <tr> <td data-bbox="627 1062 770 1235"><b>Others (O)</b></td> <td data-bbox="794 1062 1399 1235"> <p><b>Supplier Risk</b> To comprehensively consider potential legal, financial, and operational risks they may face, while rigorously monitor for any security vulnerabilities, compliance issues, integrity risks, or any other forms of misconduct during the collaboration process.</p> <p><b>Development Potential</b> To examine their performance and ranking within the industry, market share and position, business alignment, and compatibility with Kuaishou's requirements. To conduct an in-depth assessment of their corporate culture, ESG performance and other multi-dimensional factors.</p> </td> </tr> </table> </li> </ul>	<b>Technology (T)</b>	To assess suppliers' technological capabilities, research and development capabilities, patents, productivity, processes, etc.	<b>Quality (Q)</b>	To assess suppliers' quality of products, service and management, etc.	<b>Responsiveness (R)</b>	To assess suppliers' responsiveness, communication efficiency and willingness to cooperate during their cooperation with Kuaishou.	<b>Delivery (D)</b>	To assess the results of supplier performance evaluation, including delivery quality, timeliness, quantity, etc.	<b>Cost (C)</b>	To assess strengths and weaknesses of the suppliers' transaction price, commercial terms and total cost.	<b>Others (O)</b>	<p><b>Supplier Risk</b> To comprehensively consider potential legal, financial, and operational risks they may face, while rigorously monitor for any security vulnerabilities, compliance issues, integrity risks, or any other forms of misconduct during the collaboration process.</p> <p><b>Development Potential</b> To examine their performance and ranking within the industry, market share and position, business alignment, and compatibility with Kuaishou's requirements. To conduct an in-depth assessment of their corporate culture, ESG performance and other multi-dimensional factors.</p>
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<p><b>Supplier Exit</b></p>	<ul style="list-style-type: none"> <li>• We hold suppliers that have acted dishonestly accountable, and eliminate or suspend them;</li> <li>• Unqualified suppliers will be gradually eliminated, to accelerate the optimization and upgrading of the supply chain, ensuring its efficient operation and quality standards;</li> <li>• We established a penalty mechanism for dishonest suppliers, imposing different punitive measures based on the severity of the dishonesty, ranging from milder warnings and order suspension to more severe contract freezing or blacklisting.</li> </ul>												

# Environmental, Social and Governance Report

## Supplier Communication

Kuaishou has established a two-way communication channel with suppliers, aiming to grow together with partners and build a robust supply chain ecosystem. We regularly conduct professional training for suppliers on compliance guidelines and system operations to enhance their service quality and collaboration efficiency. Furthermore, we hold a “Supplier Annual Conference” each year, providing a platform for in-depth exchanges and joint discussion of development strategies. To promptly resolve various issues during cooperation, we have opened intelligent and manual customer service channels, offering comprehensive technical and process support. Simultaneously, we have established a sound complaint feedback mechanism, proactively listening to our partners’ voices, and regularly review and optimize procurement processes and standards to ensure a fair and just cooperative environment and achieve value co-creation.

## AI Technology Application

Entering the AI era, Kuaishou has also integrated AI technology into supplier lifecycle management, aiming to automate the review and integration of massive amounts of information, significantly saving operational time. This not only effectively reduces human operational errors, but also notably improves data accuracy, ensuring supply chain management becomes more efficient and precise.

Supplier Lifecycle Management Stage	AI Technology Application
Supplier Selection	<p><b>Contract Review</b></p> <p>It automatically extracts content from forms and contract texts. Combined with the enterprise’s pre-set contract review rules, it provides efficient auxiliary decision-making suggestions for approvers.</p> <p><b>Intelligent Bid Evaluation</b></p> <ul style="list-style-type: none"><li>• It compares the detailed items included in prospective supplier proposals to determine if there are omissions or added items when suppliers submit their quotations.</li><li>• When comparing supplier competency, it analyzes content to determine if suppliers meet the award criteria, outputs AI scores for supplier technical proposals, and assists the business side in technical scoring based on absolute value (AI score) and relative value (AI score ranking) functions.</li><li>• During supplier quotation, it compares the prices of submitted detailed items for significant horizontal (compared to other suppliers) or vertical (supplier historical quotes) price differences, assisting the business side in price scoring.</li></ul> <p><b>AI Industry Research</b></p> <p>The intelligent system can generate in-depth reports covering industry trends, cutting-edge technologies, and price information, providing timely insights to assist in procurement strategy formulation. By pre-identifying supplier and market risks, enterprises can leverage accurate trend forecasting and market understanding to make purchases at optimal times, significantly enhancing bargaining power.</p>

# Environmental, Social and Governance Report

## Optimization of The Supplier Acceptance and Reconciliation Process

It standardizes price lists and reconciliation statements, identifies key fields such as items and unit prices, automatically matches the correlation between contracts and bills, and uses algorithms to complete data verification. This function not only significantly improves reconciliation efficiency and reduces human error, but the mapping relationships are reusable, effectively saving enterprise labor costs and optimizing financial management efficiency.

### 1.4.2 Responsible Procurement and Green Procurement

We are committed to promoting responsible and green procurement, prioritizing products that are environmentally friendly and energy-efficient, and suppliers with sound social welfare provisions. During the admission stage, we identify and manage environmental and social risks with suppliers, requiring all admitted suppliers to sign the *Supplier Admission Commitment Letter* and adhere to the *Kuaishou Technology Green Procurement and Sustainable Supply Chain Management Regulations*, strictly implementing ESG risk controls and partnering with stakeholders to drive the green transformation of the industry.

#### Summary of Core ESG Principles of the Kuaishou Supplier Admission Commitment Letter

<b>Labor and Human Rights Protection</b>	<ul style="list-style-type: none"> <li>• Prohibiting child labor</li> <li>• Prohibiting any form of forced labor</li> <li>• Respecting and fully guaranteeing employees' freedom of association, equal treatment, identity protection, paid annual leave, minimum wage standards, and maximum working hour standards, etc.</li> <li>• Zero tolerance for any harassment and/or discrimination based on gender, ethnicity, skin color, religion, belief, age, race, nationality, marital status/parental status, pregnancy, disability, sexual orientation, or any other personal condition</li> </ul>
<b>Employee Health and Workplace Safety Protection</b>	<ul style="list-style-type: none"> <li>• Adherence to legal regulations concerning working hours and remuneration</li> <li>• Identifying, assessing, and reducing potential health and safety hazards workers may encounter</li> <li>• Appropriate processes and systems to prevent, manage, track, and report work-related injuries and illnesses</li> <li>• Implementing emergency plans and response procedures to enhance identification and assessment of emergencies and incidents</li> </ul>
<b>Environmental Protection</b>	<ul style="list-style-type: none"> <li>• Optimizing the use of natural resources, reducing the discharge of environmental pollutants, and reducing greenhouse gas emissions</li> <li>• Considering setting the Company's greenhouse gas emission reduction targets</li> <li>• Properly managing waste and its disposal methods, conducting routine monitoring of the operational status of air emission control systems</li> </ul>

## Environmental, Social and Governance Report

<b>Business Ethics</b>	<ul style="list-style-type: none"><li>• Strictly complying with anti-corruption laws and regulations, conducting business in a transparent and honest manner, and opposing any form of corruption and bribery</li><li>• Complying with the regulations on competition, anti-monopoly, and trade in the countries/regions where it operates</li><li>• Strictly opposing all forms of money laundering and taking sufficient measures to ensure that every economic and financial transaction can be traced</li></ul>
<b>Data Security and Privacy Protection</b>	<ul style="list-style-type: none"><li>• Complying with relevant data security and privacy protection laws and regulations, ensuring that the products, services, and information provided meet relevant regulations and regulatory requirements</li><li>• Establishing comprehensive compliance management systems and effective technical safeguard measures, ensuring adequate business review of information cooperation scenarios, and protecting the personal information and data security of customers and users.</li></ul>
<b>Intellectual Property Protection</b>	<ul style="list-style-type: none"><li>• Suppliers are required not to infringe upon the intellectual property rights of others</li></ul>

During the supplier selection stage, Kuaishou is committed to building a responsible supply chain system, prioritizing partners that have obtained ESG-related certifications, including system certification such as environmental management (ISO 14001), occupational health and safety management (ISO 45001), information security management (ISO 27001), and anti-bribery management (ISO 37001), ensuring suppliers meet ESG standards across all dimensions. Simultaneously, the Company actively promotes green procurement policies, prioritizing energy-efficient products. By procuring office and engineering materials such as eco-friendly latex paint and eco-friendly notebooks, we continuously increase the procurement share of eco-friendly products.

Furthermore, during the supplier audit and evaluation stage, we incorporate ESG performance as a core assessment item. In terms of labor rights protection, we strictly evaluate suppliers' wage levels, working hour management, and overtime compensation to ensure their employees receive a wage sufficient for a decent living, and implement principles such as avoiding or reducing overtime or excessive working hours, set maximum working hour limits, and ensure equal pay for equal work regardless of gender. For high-energy-consumption suppliers such as servers, network equipment, and leased data centers, we place greater emphasis on examining their environmental performance, adding specialized assessment requirements such as power usage effectiveness (PUE) and clean energy ratio. Through these mechanisms, we aim to incentivize suppliers to actively practice green transformation, thereby effectively reducing our Scope 3 emissions and achieving win-win outcomes together.

## Environmental, Social and Governance Report

### Energy Conservation Incentive Measures for Leased Data Centers

During the tendering stage for leased data centers, we have explicitly designated the annual average PUE value as a critical entry requirement. To ensure the fulfillment of energy-saving commitments, we conduct regular on-site audits. When the power load rate reaches the permitted level, on-site PUE measurement assessments are initiated. If a data center fails to meet the standards, it must pay penalty fees of varying tiers based on the extent to which the metrics are exceeded.

Beyond mandatory metrics, we also require suppliers, while ensuring the stable operation of the data center facilities, to collaborate on tasks such as joint energy-saving experiments, data analysis, and policy research. We have established extensive and in-depth multi-layered cooperation with several partners in areas such as increasing the proportion of clean energy and applying new energy technologies. Through these rigorous assessment and collaboration mechanisms, we aim to work hand-in-hand with suppliers to reduce carbon emissions and jointly build green and low-carbon data centers, contributing to the achievement of the dual carbon goals.

# Environmental, Social and Governance Report

## 2 PROTECTING THE ENVIRONMENT AND PROMOTING GREEN OPERATIONS

Kuaishou is committed to advancing the national “Dual Carbon” goals to actively establish a climate risk management mechanism. By continuously building green office premises and data centers, and leveraging the influence of our video platforms to disseminate environmental protection concepts, we devote ourselves to play a key role in driving green operations.

### 2.1 Climate Change Response

Guided by China’s strategic goals of “Carbon Dioxide Peaking and Carbon Neutrality”, Kuaishou closely monitors development trends and best practices within the industry. We proactively align with green and low-carbon policy requirements, continuously enhance our capacity to address climate change, and collaborate with key suppliers to advance low-carbon and green initiatives. We actively establish a robust environmental management system. In accordance with the “*Climate-related Disclosures*” set out in Part D of the *ESG Reporting Code* of Hong Kong Stock Exchange and referencing *IFRS S2 — Climate-related Disclosures* issued by the International Sustainability Standards Board (ISSB), we identify climate-related physical and transition risks across our operations and value chain. We develop internal management and action plans for these risks, steadily strengthening our ability to address climate change risks and effectively seize opportunities in green development.

- **Governance**

The Board of Kuaishou, as the highest decision-making body for corporate governance, holds ultimate responsibility for climate change-related matters. To ensure effective implementation of ESG management, the Board has authorized the Corporate Governance Committee, chaired by an independent non-executive Director, to assume full responsibility for supervising and guiding the ESG strategy. This includes key areas such as the identification of climate-related risks, the development of assessment and management systems, and the ongoing oversight, review and monitoring of climate-related goal-setting and progress. In daily operations, the ESG Working Group has established a climate risk assessment system to advance the routine monitoring and evaluation of climate-related risks, ensuring the implementation of various climate action plans and compliance with performance standards, and reported regularly. For detailed responsibilities of the ESG governance structure, please refer to the section headed “1.1 ESG Governance”.

During the Reporting Period, for personnel at the governance and management levels responsible for overseeing and managing ESG matters, we advanced the implementation of a compensation and performance appraisal scheme linked to ESG metrics. Furthermore, at the operational level, corresponding assessment requirements have been established within the ESG Working Group.

# Environmental, Social and Governance Report

- *Strategy*

Kuaishou promptly adjusts and allocates resources in accordance with business development and planning to ensure the assessment, management, and response to climate change-related risks and opportunities. Through regular reviews of the timeliness and effectiveness of various mitigation measures, we continuously enhance our professional capacity to address climate change-related risks and opportunities, effectively promoting the green and low-carbon development of both Kuaishou and our key partners across the value chain.

### *Climate Risk and Opportunity Assessment*

During the Reporting Period, Kuaishou conducted an analysis and assessment of the identified climate change-related risks and opportunities using the established climate scenario analysis model<sup>3</sup>. This involved referencing predictions of natural environment and economic and social changes under different climate scenarios by authoritative institutions, and encompassed an effectiveness evaluation of Kuaishou's office premises and data centers in addressing climate change-related risks and opportunities across various time horizon<sup>4</sup>. By incorporating feedback from various business departments on the probability and impact severity of these climate-related risks and opportunities, we identified prioritized areas to track, monitor, and do timely management, and refined corresponding response measures to ensure enterprise resilience in the face of climate change.

### *Climate Physical Risks*

In terms of physical risks, cyclones and extreme precipitation (acute risks), as well as the rising average temperatures and drought (chronic risks) resulting from climate change, may have a potential business and financial impact on Kuaishou. The overall risk level across different time horizon is assessed as relatively low. We continuously evaluate and manage the identified key physical risks and their potential impacts, and persistently refine primary risk control and management measures to ensure that the potential effects of climate-related physical risks remain at a low level.

<sup>3</sup> Based on our business operations and planning during the Reporting Period, as well as external social and environmental changes, we have not identified any significant developments that could potentially impact business stability. Accordingly, corporate climate resilience has been assessed using the climate scenario analysis model established in 2024.

<sup>4</sup> The time horizon is defined as follows: within 1 year after the end of the Reporting Period, including 1 year (short-term); 1 year to 5 years after the end of the Reporting Period, including 5 years (medium-term); and more than 5 years after the end of the Reporting Period (long-term).

# Environmental, Social and Governance Report

Risk Category		Potential Impact on Own Operations and Value Chain	Potential Financial Impact	Time Horizon	Risk Control Measures
Acute Risks	Cyclones	<p><b>Own Operations</b></p> <ul style="list-style-type: none"> <li>Extreme weather conditions may prevent employees from commuting to work, which may result in disruption to operation, thus could affect operational efficiency and business fulfillment.</li> </ul>	Higher operating expenses	Short-term, mid-term and long-term	<p>Office Premises:</p> <ul style="list-style-type: none"> <li>Leveraging our internally developed operational management system, we proactively monitor early warnings of extreme weather events and promptly issue work-from-home notifications. We continuously optimize our working-from-home mechanisms. During extreme weather conditions, we minimize the number of employees required to be on-site to reduce the scope of potential impact.</li> </ul> <p>Self-Built and Leased Data Centers:</p> <ul style="list-style-type: none"> <li>Throughout its site selection, construction, and operational phases, our Kuaishou Intelligent Cloud Ulanqab Data Center has conducted thorough assessments that account for local climatic conditions and natural resource endowments. A comprehensive emergency management and prevention plan for extreme natural disasters has been established, and regular disaster prevention drills are carried out;</li> <li>For leased data centers, we ensure that site selection fully incorporates historical data on local natural disasters (e.g., prioritizing meteorologically favorable areas within the North China Plain). We are gradually extending our natural disaster emergency management framework to the operations and maintenance providers of these leased data centers and urging them to implement regular, routine management and drill exercises.</li> </ul>
	Extreme precipitation	<p><b>Own Operations and Value Chain</b></p> <ul style="list-style-type: none"> <li>Extreme weather conditions such as cyclones and extreme precipitation may damage the office buildings and self-built and leased data centers, increase additional maintenance expenses and may cause asset losses.</li> </ul>	<p>Decline in asset value</p> <p>Decrease in operating income</p>		

# Environmental, Social and Governance Report

Risk Category		Potential Impact on Own Operations and Value Chain	Potential Financial Impact	Time Horizon	Risk Control Measures
Chronic Risks	Rising average temperatures	<p><b>Own Operations and Value Chain</b> Rising average temperatures may impact the daily operations of workplaces, as well as self-built and leased data centers, including:</p> <ul style="list-style-type: none"> <li>Increased operational costs associated with cooling and heat mitigation measures required to ensure workplace comfort for employees;</li> <li>Increased energy and water consumption for heat dissipation and cooling in self-built and leased data centers, leading to higher operational costs and a corresponding rise in carbon emissions;</li> <li>Reducing the service life of equipment in self-built and leased data centers and increasing operational costs associated with equipment replacement.</li> </ul>	<p>Higher operating expenses</p> <p>Higher capital expenditure</p>	Mid-term and long-term	<p>Office Premises:</p> <ul style="list-style-type: none"> <li>Effectively monitor energy consumption within workplace operations through intelligent monitoring systems to achieve comprehensive control over overall energy usage (e.g., configuring equipment operating schedules and on/off settings based on actual on-site attendance);</li> <li>Regularly assess the accessibility of green energy sources and implement cost-optimized green energy solutions to reduce overall energy consumption levels.</li> </ul> <p>Self-Built and Leased Data Centers:</p> <ul style="list-style-type: none"> <li>For both self-built and leased data centers, prioritize areas with access to abundant green energy to reduce energy consumption due to cooling;</li> <li>For self-built data centers, we partner with industry collaborators to implement intelligent control systems in a phased manner and actively develop algorithm modules alongside the corresponding system platforms;</li> <li>We select suitable refrigeration/cooling technologies according to local conditions. For example, medium-temperature chilled water systems are employed in North China to improve the water supply temperature of cooling water, thus reducing the energy consumption of mechanical refrigeration.</li> </ul>
	Droughts	<p><b>Own Operations and Value Chain</b> Exacerbated water shortages due to the increased duration and frequency of droughts may have an impact on the daily operations of self-built and leased data centers, including:</p> <ul style="list-style-type: none"> <li>Increasing the use of other cooling facilities will result in higher energy demand and higher operating costs;</li> <li>Reduced cooling efficiency will affect the operational stability of self-built and leased data center equipment.</li> </ul>	<p>Higher operating expenses</p> <p>Decrease in operating income</p>	Short-term, mid-term and long-term	<ul style="list-style-type: none"> <li>Self-built data centers continuously monitor environmental temperature in real time by adopting energy-saving control technology to automatically shut down the energy-intensive air-conditioning equipment. We introduce and develop advanced technologies to improve the utilization rate of reclaimed water in the cooling process and fully use the abundant natural cooling sources in the Inner Mongolia region.</li> </ul>

# Environmental, Social and Governance Report

## Climate Transition Risks

In terms of transition risks, Kuaishou promptly pays attention to policy and legal developments, and keeps abreast of new technologies and development trends in the industry. We assess policy and legal risks, technology risks and reputation risks arising from the transition to low-carbon society, focusing on self-operation and core value chain activities. No significant potential risk events have been identified, and the overall risk level is relatively low.

Risk Category	Potential Impact on Business	Potential Financial Impact	Time Horizon	Risk Control Measures
Policy and Legal Risks	Enhanced responsibility for greenhouse gas emissions reporting and strengthened compliance requirements for energy saving and carbon reduction	<ul style="list-style-type: none"> <li>Requirements from international and domestic regulatory agencies and capital markets for disclosing enterprise climate-related information have been continuously increased, and ambiguous or inaccurate disclosures may lead to compliance or reputational risks;</li> <li>In order to cooperate with the management of carbon trading<sup>5</sup>, carbon tax and environmental protection tax, governments at national and operational locations have increased the requirements for the accuracy of carbon emission data declared by enterprises, which may generate compliance risks;</li> <li>Governments at national and operational locations have continuously strengthened corresponding policies for energy consumption and carbon emission, imposing higher requirements on the PUE value and energy-saving performance of Company's data centers, which may lead to increased compliance or operating cost.</li> </ul>	<p>Higher operating expenses</p> <p>Increased compliance costs</p>	<p>Short-term, mid-term and long-term</p> <ul style="list-style-type: none"> <li>We continuously track and understand the relevant latest international and domestic laws, regulations and policy requirements applicable to Kuaishou's self-operations, and conduct timely internal assessments and advance relevant compliance management measures. Simultaneously, we internally study and evaluate laws, regulations and policy requirements related to the value chain, and share with core suppliers in a timely manner;</li> <li>We strengthen full communication with various stakeholders (e.g., regulatory agencies, investment institutions), respond promptly and actively to their requirements, and participate in industry exchanges and specialized training to ensure accurate understanding of all compliance requirements and expectations of stakeholders;</li> <li>Based on various laws, regulations, policy requirements and expectations of stakeholders, we optimize and enhance the energy metering, analysis and control system, continuously promote refined energy management, and disclose and report various energy efficiency data promptly and regularly.</li> </ul>

<sup>5</sup> The internal carbon pricing mechanism is not applicable during the Reporting Period.

# Environmental, Social and Governance Report

Risk Category	Potential Impact on Business	Potential Financial Impact	Time Horizon	Risk Control Measures	
Technology Risks	<p>Cost of transition to low-emission technologies/failure to successfully invest in new technologies</p>	<ul style="list-style-type: none"> <li>In order to effectively respond to the relevant policies and requirements relation to energy saving and consumption reduction, failure to invest in or develop new low-carbon technologies may result in financial losses.</li> </ul>	<p>Higher operating expenses</p> <p>Higher capital expenditure</p>	<p>Short-term, mid-term and long-term</p>	<ul style="list-style-type: none"> <li>Considering the current business status and development plans, we evaluate the compatibility and economic viability of various new technologies. Large-scale application shall proceed only after thorough solution demonstration, technical experiments, factory-level testing and small-scale application, so as to avoid financial losses caused by unnecessary technology research and development failures;</li> <li>We collaborate with industry-leading enterprises to set up the Carbon Neutrality Special Committee and the Open Technology Alliance, share energy conservation and carbon reduction technologies for data centers with the members, and encourage core value chain partners to jointly promote R&amp;D of energy-saving and low-carbon technologies, committing to promoting the low-carbon transition of the industry.</li> </ul>

# Environmental, Social and Governance Report

Risk Category		Potential Impact on Business	Potential Financial Impact	Time Horizon	Risk Control Measures
Reputation Risks	Increased concerns or negative feedback from stakeholders	<ul style="list-style-type: none"> <li>Concerns from stakeholders (including governments and regulatory bodies, investors, etc.) regarding Kuaishou's low-carbon green development performance targets, compliance status, and implementation progress, or negative feedback on compliance and responsibility fulfillment (e.g., energy consumption levels of data centers), may lead to increased management and operational costs;</li> <li>Failure to timely identify new management norms and requirements from government authorities or capital market regulators in such fields including climate change response and biodiversity protection may lead to stakeholder concerns or negative feedback, resulting in increased management and operational costs.</li> </ul>	<p>Higher operating expenses</p> <p>Higher capital expenditure</p> <p>Decrease in financing channels</p>	Short-term, mid-term and long-term	<ul style="list-style-type: none"> <li>We set carbon reduction targets for Scope 1 and Scope 2 emissions from self-built data centers;</li> <li>We set targets including "100% green power use in Beijing headquarters office" and "realizing 100% clean energy use in self-built data centers by 2030", conducting continuous tracking and management to ensure progress towards our set targets;</li> <li>We improve the accuracy and comprehensiveness of the disclosure of carbon emission data and energy consumption data in line with expectations of stakeholders (e.g., requirements from regulatory agencies, etc.), formulate a series of internal management policies (e.g., extreme natural disaster emergency management plans, natural disasters prevention plans (manual), emergency response plans for incidents, etc.), and implement measures in an orderly and steady manner;</li> <li>We stay abreast of the latest regulatory developments and maintain regular communication with professional third parties to ensure timely and accurate understanding of relevant regulatory trends in sustainability fields. For self-built data centers, we adhere to the principle of detailed assessment before construction and continuous improvement during operational management, strictly ensuring pollutant emissions, water resource management, and impacts on surrounding ecosystems comply with the latest regulatory requirements.</li> </ul>

During the Reporting Period, no significant asset losses or disruptions in business activities due to climate-related physical risk or transition risk events occurred within Kuaishou's office premises and data centers.

# Environmental, Social and Governance Report

## Climate-related Opportunities

Through Kuaishou’s daily assessment, monitoring and management of physical risks and transition risks related to climate changes, we also fully recognize that low-carbon development also presents opportunities for Kuaishou in areas such as enhancing resource efficiency, utilizing low-emission energy, and offering green products and services. For the potential opportunities, we collaborate with relevant business departments to develop and implement corresponding specific measures.

For opportunities related to using low-emission energy (e.g., using green power in office premises and self-built data centers, etc.), we have concurrently adopted market-based measures such as renewable energy trading and carbon emission reduction compliance management to further enhance the positive impact of these opportunities on the Company’s operations.

Opportunity Category		Potential Impact on Own Operation and Value Chain	Potential Financial Impact	Time Horizon	Measures to Seize Opportunities
Resource Efficiency	Reducing energy and water usage and consumption	<b>Own Operation and Value Chain</b> <ul style="list-style-type: none"> <li>Accelerating the adoption of multiple energy-saving and water-saving initiatives in office areas and self-built and leased data centers, and improving the WUE and PUE of data centers, can reduce resource consumption and costs;</li> <li>Industry-leading WUE and PUE can strengthen the confidence of regulators and investors in the Company’s proactive response to climate changes, enhancing corporate reputation.</li> </ul>	Decrease in operating costs  Increase in financing channels	Short-term, mid-term and long-term	<ul style="list-style-type: none"> <li>The self-built data centers have pioneered the adoption of an indirect evaporative cooling equipment water-saving operation mode, actively researching cutting-edge technologies including high-power chip cooling technology and air-liquid hybrid cooling architecture;</li> <li>Through deploying an intellectualized AI-based air conditioning renovation project in self-built data centers, we effectively reduce the heat island effect on rooftops, and lower the operational energy and water consumption of indoor air conditioning systems.</li> </ul>
Energy Sources	Utilizing low-emission energy	<b>Own Operation and Value Chain</b> <ul style="list-style-type: none"> <li>Energy-saving measures are integrated throughout the entire lifecycle of Kuaishou’s self-built and leased data centers, including site selection, design, and operation. By leveraging new energy power tailored to local conditions, the reliance on fossil fuels is reduced, promoting the transition of data centers toward low-carbon and clean energy. This approach lowers operational expenses and enhances corporate reputation.</li> </ul>	Decrease in operating costs	Short-term, mid-term and long-term	<ul style="list-style-type: none"> <li>Kuaishou’s self-built data center located in Inner Mongolia, which is rich in clean power, provides relatively high accessibility to renewable energy. We have continued to actively engage with local governments to secure clean power resources, reducing procurement costs and improving emissions performance for clean power;</li> <li>We communicate promptly with core value chain partners, and encourage leased data centers to increase investment in energy-saving and emission reduction technologies, continuously improving the operational efficiency of Kuaishou’s leased data centers.</li> </ul>

# Environmental, Social and Governance Report

Opportunity Category		Potential Impact on Own Operation and Value Chain	Potential Financial Impact	Time Horizon	Measures to Seize Opportunities
Products and Services	Conducting green power trading	<p><b>Own Operation</b></p> <ul style="list-style-type: none"> <li>Kuaishou's self-built data centers are located in areas with more abundant clean energy. We actively explore market-based management measures such as green power trading, and continuously assess the potential of developing energy conservation and emission reduction projects into carbon emission reduction projects to obtain emission reduction benefits.</li> </ul>	<p>Decrease in operating costs</p> <p>Increase in revenue</p>	Mid-term and long-term	<ul style="list-style-type: none"> <li>We fully consider the new energy resources in the selected areas, assess the local government's support for renewable energy development and related policies, and continuously track and participate in local green power trading markets to enhance management levels and performance;</li> <li>We continuously assess the development of clean power projects, and explore opportunities to trade electricity from clean energy to expand emission reduction benefits.</li> </ul>
Adaptation	Enhancing adaptation to the impact of climate changes	<p><b>Own Operation</b></p> <ul style="list-style-type: none"> <li>We adopt a number of energy conservation and emission reduction measures to cope with climate change transition risks and enhance climate resilience;</li> <li>We implement internal policies including developing extreme weather contingency plans, and establish effective internal management processes and control mechanisms.</li> </ul>	Decrease in operating costs	Short-term, mid-term and long-term	<ul style="list-style-type: none"> <li>We develop and apply low-carbon technologies in self-built data centers, maximizing the use of natural cooling sources, wind energy, solar energy and low-power equipment to improve energy efficiency and the proportion of new energy use;</li> <li>We formulate the <i>Catalog of Emergency Measures for Typical Emergencies</i>, the <i>Emergency Plan for Fuel Leakage Fault</i> and other relevant documents, set up emergency plans, and regularly organize and carry out emergency drills;</li> <li>We continuously optimize and enhance internal system management platforms to stay informed about information including extreme weather events, and regulatory changes in laws, regulations and policy, and implement corresponding management measures and operational plans for various business departments through these management platforms.</li> </ul>

# Environmental, Social and Governance Report

## Climate Resilience

Taking into account factors such as the concentration of risks, the magnitude of impact, and the availability of data, Kuaishou assessed the climate resilience of its business operations and value chain through internal inputs and analysis by external industry specialists, and no material climate change-related risks were identified. During the Reporting Period, Kuaishou focused on its self-built data centers and concluded that, under both low-carbon emission and high-carbon emission scenarios, the potential financial impacts arising from acute physical risks and transition risks were immaterial.

In terms of acute physical risks, although the possible asset losses due to extreme weather events (such as heavy rainfall and flooding) show a slight upward trend in the medium and long term, Kuaishou progressively implemented internal management policies and measures (such as the *Kuaishou IDC Infrastructure Natural Disaster Prevention System* and the *Data Center Typhoon and Rainstorm Emergency Plan*) to ensure the continuous and stable operation of its workplaces as well as self-built and leased data centers. Furthermore, ahead of extreme weather events, the Company swiftly implemented administrative arrangements, such as enabling employees to work from home, effectively mitigating potential disruptions or interruptions to business operations that could arise from acute physical risks.

In terms of transition risks, taking into account potential factors such as increased cooling electricity consumption due to rising average temperatures at the location where it operates and the need to control and strive to gradually lower the PUE, the additional operating costs that Kuaishou may incur due to its commitment to continuously maintain 100% green electricity usage, will show an upward trend in the medium and long term. Kuaishou has collaborated with industry partners to prioritize the implementation of an intelligent energy management platform and applicable energy-saving technologies across its self-built data centers. During the Reporting Period, Kuaishou continued to optimize the energy efficiency of its cooling systems through AI-based intelligent control systems, while progressively deploying self-developed technologies such as integrated waterless fluoropump air conditioning system and liquid-cooled infrastructure solutions.

To steadily and systematically advance the low-carbon and energy-efficiency management of our self-built data centers to a leading industry level, and to effectively implement energy-use and emission-reduction targets for these self-built data centers, we conducted a comprehensive assessment and review of our current energy-management practices and performance. Building on the existing goal of “By 2030, Kuaishou’s self-built data center will achieve 100% renewable energy usage,” we have added a new climate transition target: “100% green power use at Beijing headquarters office<sup>6</sup>.” To steadily advance our transition plan towards clean energy, we will progressively increase the proportion of green energy used in our headquarters office and self-built data centers, with the ultimate goal of reaching 100% usage. Through this commitment to utilizing green energy at the source, Kuaishou is firmly driving the green and low-carbon transformation of our overall operations.

We monitored and evaluated the progress and fulfillment of these targets in a timely manner by integrating external professional databases with our practical experience in participating in green-power transactions and purchasing green electricity certificates. Since the Reporting Period, we have been successively investing over RMB3 million in the laboratory R&D and the scaling application of low-carbon energy-saving technologies. Looking forward, we will continue to focus on the R&D of green and low-carbon technologies for our self-built data centers as a key priority, investments on the scale of millions of RMB to be made annually dedicating to technological R&D.

<sup>6</sup> Headquarters in Beijing refer to Central Mobile Intelligence District (CMID).

# Environmental, Social and Governance Report

Risk and Opportunity Categories		Time Horizon <sup>7</sup>	Climate Scenario Selection <sup>8</sup>
Physical Risks	Acute Risks	2030, 2050	The SSP2–4.5 <sup>9</sup> (Low-emission scenario) and SSP3–8.5 <sup>10</sup> (High-emission scenario) scenarios, as published by the Intergovernmental Panel on Climate Change (IPCC).
Transition Risks	Policy Risks	2030, 2050	The “Net Zero 2050” <sup>11</sup> and “Current Policies” <sup>12</sup> scenarios, as published by the Network of Central Banks and Supervisors for Greening the Financial System (NGFS).

## Scenario Analysis Results<sup>13</sup>

Risk Assessment Description	Key Assumptions	Impact Level on Financial Indicators			
		Low-Emission Scenario		High-Emission Scenario	
		2030	2050	2030	2050
<b>Physical risks-related</b> Potential asset value losses to Kuaishou’s self-built data center due to heavy rain and flooding.	<ul style="list-style-type: none"> <li>The geographical location of the self-built data center remains unchanged through the target years;</li> <li>The Company’s existing response measures remain unchanged.</li> </ul>	Low	Low	Low	Low
<b>Transition risks-related</b> Additional clean energy usage costs resulting from response to energy-saving and emission reduction requirements for the data center.	<ul style="list-style-type: none"> <li>Kuaishou can successfully achieve the goal of 100% clean energy usage in the self-built data center by 2030 through green electricity trading and green power certificate procurement;</li> <li>The Company can successfully achieve its PUE reduction targets;</li> <li>The cooling energy consumption of Kuaishou’s self-built data center will increase due to rising average temperatures.</li> </ul>	Low	Low	Low	Low

<sup>7</sup> The years 2030 and 2050 respectively encompass the actual and projected data for the Company’s business scale from 2025 to 2030 and from 2025 to 2050, as well as the data on the changes in external climate scenarios in 2030 and 2050. This data is utilized to assess the potential impacts of climate physical and transition risks on the short-term, medium-term, and long-term operations and finances.

<sup>8</sup> When selecting scenarios, the Company considers the following factors: 1) the time period in the scenarios aligns with the Company’s strategic planning time horizon, and 2) the climate factors included in the scenarios effectively describe the potential climate pressures the Company may face in the future.

<sup>9</sup> SSP2 - 4.5 (refers to the low-carbon emission scenario used by the Company to assess physical risks): This scenario describes carbon emissions peaking by 2040, followed by a subsequent decline, with steady economic development.

<sup>10</sup> SSP3 - 8.5 (refers to the high-carbon emission scenario used by the Company to assess physical risks): This scenario describes a continuous rise in carbon emissions on a global scale, accompanied by uneven economic development.

<sup>11</sup> Net Zero 2050 (refers to the low-carbon emission scenario used by the Company to assess transition risks): Countries and regions worldwide implement stringent climate policies and take swift action; technological advancements evolve rapidly; CDR (carbon dioxide removal technologies) is utilized to accelerate decarbonization; net CO<sub>2</sub> emissions reach zero by 2050; and the use of clean electricity experiences significant growth.

<sup>12</sup> Current Policy (refers to the high-carbon emission scenario used by the Company to assess transition risks): Countries and regions worldwide maintain the climate policies currently in place. Technological development progresses slowly; the application of CDR technologies (carbon dioxide removal technologies) remains at a low level; and carbon emissions continue to rise until 2080.

<sup>13</sup> Based on the business operations and planning during the Reporting Period, as well as external social environment changes and other factors, we have not identified material changes that could impact business stability, and the results of climate scenario analysis remain unchanged.

# Environmental, Social and Governance Report

- **Risk Management**

We have fully integrated climate risk management into our corporate environmental management system. Based on our actual business conditions and in combination with scenario analysis results, industry analysis, and recommendations from external experts, we have proactively identified and examined potential risks and development opportunities arising from various climate-related factors, and implement the management of various identified risks and opportunities in an orderly, steady and regular manner. For the identified risks and opportunities, taking into account feedback from various departments, we prioritize them based on their likelihood of occurrence and potential financial and operational impacts, develop targeted response measures, and regularly monitor climate-related risks to progressively improve our resilience in responding to climate change following Kuaishou's "three lines of defense" internal control model.

During the Reporting Period, the Board and the Corporate Governance Committee conducted regular reviews on the identification, assessment and management of climate-related risks and opportunities, monitored the effectiveness of key climate risk and opportunity response measures, and provided management recommendations for feasible optimization and enhancement directions.

During the Reporting Period, we did not identify any significant climate-related risks nor any changes in the risk management process due to new significant climate-related risks.

- **Metrics and Targets**

To actively respond to the national "Dual Carbon" strategy and global climate action initiatives, Kuaishou has formulated clear carbon reduction targets based on the analysis results of climate risks and opportunities, with reference to international agreements and standards such as the Paris Agreement. We have established a comprehensive monitoring mechanism, regularly monitoring key metrics related to climate and the environment, and continuously tracking the progress of targets, ensuring the Company steadily progresses on the path of green and low-carbon development.

# Environmental, Social and Governance Report

## Progress on Environmental Goals

Category	Overall Goal	Progress and Implementation Measures in 2025
Greenhouse Gas Emission Reduction	<ul style="list-style-type: none"> <li>Scope 1 and Scope 2 absolute greenhouse gas emissions from self-built data centers<sup>14</sup> will decrease by 30% by 2030 (2024 as baseline year)<sup>15</sup>;</li> <li>By 2030, Kuaishou’s self-built data<sup>14</sup> center will achieve 100% renewable energy usage;</li> <li>By 2030, the Kuaishou headquarters office will achieve 100% renewable energy use.</li> </ul>	<p>Beijing Headquarters Office:</p> <p><b>Progress:</b></p> <ul style="list-style-type: none"> <li>With the completion of the electricity market transaction and the signing of the green electricity procurement contract, the green electricity usage at Kuaishou headquarters office for the full year of 2026 is expected to be close to 100%.</li> </ul> <p><b>Implementation measures:</b></p> <ul style="list-style-type: none"> <li>Office premises adopted smart meeting room solutions to optimize lighting and air conditioning usage plans based on usage scenarios and enhanced energy usage monitoring; actively participated in carbon trading pilot programs for key energy-consuming entities.</li> </ul> <p>Data Centers:</p> <p><b>Progress:</b></p> <ul style="list-style-type: none"> <li>In 2025, Kuaishou’s self-built data centers purchased a total of 583,720 MWh of green electricity, accounting for 93.0% of its annual electricity consumption, effectively minimizing the Company’s overall carbon footprint.</li> </ul> <p><b>Implementation measures:</b></p> <ul style="list-style-type: none"> <li>It deployed AI intelligent control systems and gradually scaled up the application of energy-saving technologies; and increased the renewable energy usage ratio through a combination of green electricity trading and green power certificate procurement.</li> </ul>

<sup>14</sup> Based on the operational metrics of self-built data centers during the Reporting Period.

<sup>15</sup> We will continue to monitor market trends and review the emissions reduction targets regularly. We will also consider other options, such as purchasing credible carbon credits, as a last resort.

# Environmental, Social and Governance Report

Category	Overall Goal	Progress and Implementation Measures in 2025
Energy Conservation	<ul style="list-style-type: none"> <li>By the end of 2028, the electricity consumption per square meter in Beijing office premises will be reduced by 8% (2023 as baseline year);</li> <li>Our self-built data center maximizes energy efficiency and achieves an energy saving performance outpacing the national energy consumption target of the “14th Five-Year Plan”, as well as the requirements for power usage effectiveness (PUE) of data centers stipulated by local branches of National Development and Reform Commission.</li> </ul>	<p><b>Progress:</b></p> <ul style="list-style-type: none"> <li>In 2025, Kuaishou’s total electricity consumption in Beijing office premises decreased by 4.3% compared to the baseline year, while the electricity consumption per square meter decreased by 12.9%. Kuaishou’s energy saving and consumption reduction targets have seen early results. We will maintain the same level of energy-saving efforts to ensure that we achieve our energy conservation goals;</li> <li>In 2025, the annual average PUE of Kuaishou’s self-built data centers was 1.20<sup>16</sup>.</li> </ul> <p><b>Implementation Measures:</b></p> <ul style="list-style-type: none"> <li>Through regular air conditioning maintenance and optimization of switching points, the Company accurately controlled electricity consumption and improved the overall energy efficiency foundation.</li> <li>Self-developed liquid cooling and waterless fluoride pump technologies achieve high-density heat dissipation while saving water and electricity.</li> </ul>
Water Conservation	<ul style="list-style-type: none"> <li>By the end of 2028, the per capita fresh water consumption in Beijing office premises will be reduced by 8% (2023 as baseline year);</li> <li>New data center park will recycle 100% of rainwater and air-conditioning condensate.</li> </ul>	<p><b>Progress:</b></p> <ul style="list-style-type: none"> <li>In 2025, Kuaishou’s total fresh water consumption in Beijing office premises decreased by 37.3% compared to the baseline year, while the per capita fresh water consumption decreased by 40.1%;</li> <li>Kuaishou’s operational self-built data centers have applied air conditioning condensate recovery systems; a 1,800 cubic meter rainwater collection pool was built to utilize rainwater resources for daily landscape irrigation in the park, achieving 100% recycling of rainwater and air conditioning condensate in the park.</li> </ul> <p><b>Implementation Measures:</b></p> <ul style="list-style-type: none"> <li>The reclaimed water recycling system was officially put into operation at the Beijing’s CMID office premises, which is expected to cover approximately 20% of the total water demand of non-toiletry water in toilets, thus improving the efficiency of water resources recycling;</li> <li>It installed rainwater harvesting equipment in self-built data centers, switched cooling systems to reclaimed water, and optimized water resource management through rainwater and condensate recovery, reclaimed water cooling, intelligent spray technology, and inspection and maintenance.</li> </ul>

<sup>16</sup> The lowest PUE value can reach 1.14

# Environmental, Social and Governance Report

Category	Overall Goal	Progress and Implementation Measures in 2025
Waste Discharge Reduction	<ul style="list-style-type: none"> <li>100% harmless treatment of electronic waste will be achieved in all office premises;</li> <li>Waste sorting will be implemented in Beijing office premises on an annual basis;</li> <li>100% of waste lead-acid batteries in self-built data center to be harmlessly treated by qualified vendors; waste hard drives will be subject to 100% non-hazardous treatment after erasing;</li> <li>Green procurement will be implemented and green procurement standards to be incorporated into supplier management.</li> </ul>	<p><b>Progress:</b></p> <ul style="list-style-type: none"> <li>In 2025, Kuaishou achieved 100% harmless treatment of electronic waste in all office premises;</li> <li>In 2025, Kuaishou implemented waste sorting in Beijing office premises;</li> <li>In 2025, all waste lead-acid batteries and waste hard drives in self-built data center have been handed over to suppliers for closed-loop and harmless treatment;</li> <li>Environmental protection standards such as proper waste management and disposal, and optimization of natural resource use have been incorporated into the <i>Supplier Admission Commitment Letter</i>.</li> </ul> <p><b>Implementation measures:</b></p> <ul style="list-style-type: none"> <li>Office premises promoted recycling through the electronic device repurchase program and implemented paperless office practices and electronic contracting to reduce waste generation and resource consumption at the source;</li> <li>Self-built data centers implemented refined waste management through smart sorting stations and tiered processing mechanisms, supported by management ledgers, establishing targeted recycling systems with professional manufacturers;</li> <li>It signed green packaging agreements with core suppliers, requiring them to use simplified, recyclable, and easily degradable packaging, and encouraging them to provide equipment recycling or trade-in services.</li> </ul>

## 2.2 Green Operation

Kuaishou deeply integrates green and low-carbon concepts into the entire operational process, systematically enhancing resource utilization efficiency, strengthening waste management and reducing pollutant emissions through continuous innovation and improvement of the management system. At the same time, based on our business scale and operational characteristics, we implement targeted water-saving measures to effectively reduce water consumption. We consistently adhere to the path of green and low-carbon development, actively contribute to ecological environment construction, and strive to build a low-carbon and sustainable development model.

# Environmental, Social and Governance Report

Given the different characteristics for operations in offices and data centers, we have established targeted three-tier management systems respectively. In office management, Kuaishou has set up a three-tier green operation management structure of “decision-making — management — execution”, clearly delineating responsibilities at each level to achieve closed-loop management within the whole process from strategic planning to on-site implementation. During the operation of data centers, we have also established a dedicated three-tier environmental management system, so as to continuously optimize environmental management measures, and deeply integrate green and low-carbon concepts into the entire lifecycle operation and management of self-built and leased data centers. To strengthen environmental management in data centers, Kuaishou incorporates key environmental indicators (including Power Usage Effectiveness (“PUE”), Water Usage Effectiveness (“WUE”), Waste Treatment Compliance Rate, etc.) into the performance evaluations of relevant departments and personnel, with targeted rewards and penalties, thereby translating green operations into measurable daily operational practices to continuously improve resource efficiency and environmental performance of data centers.

During the Reporting Period, Kuaishou did not identify any major violations of laws and regulations related to exhaust and greenhouse gas emissions, water and land pollution discharge, and generation of hazardous and non-hazardous waste.

## Environmental Management in the Office Premises

### **First Tier (Decision-making Team): Administration Department**

Consider and approve management objectives, plans and budgets, and supervise implementation effectiveness.

Formulate and review targets and objectives for reducing environmental impact. Regularly provide environmental training for employees to help them understand the impacts of the Company on the environment.

### **Second Tier (Project Management Team): Engineering, Safety, Office Space Service Center**

Supervise and promote various energy saving and carbon reduction projects according to the plan, ensuring continuous improvement in environmental performance.

### **Third Tier (On-site Execution Team): Property Management Team**

Execute daily inspections and energy-saving operations, and undergo periodic assessments.

## Environmental Management in the Data Centers

### **First Tier (Decision-making Team): Environmental Protection Management Officer**

Oversee and manage the decision-making on material matters. Formulate and review targets and objectives for reducing environmental impact.

### **Second Tier (Project Management Team): Campus Environmental Protection Management Personnel**

Be responsible for system formulation, daily supervision, data reporting, compliance self-inspection, emergency coordination and other tasks.

### **Third Tier (Execution Team): Leaders of the Central Control Center, Data Center, Property Management and Substation Groups**

Designate environmental protection specialists within their respective departments to fulfill environmental protection responsibilities.

## Green Operation Management System

# Environmental, Social and Governance Report

## 2.2.1 Energy Management

Kuaishou strictly complies with laws and regulations such as the *Environmental Protection Law of the People's Republic of China* and the *Energy Conservation Law of the People's Republic of China*, continuously improves internal systems like the *Kuaishou Energy Management Strategies* clarifying energy management responsibilities, and adopts the “Plan - Do - Check - Act” cycle to enhance our energy management system and improve our energy use efficiency. We implement multiple energy conservation and emission reduction initiatives including green retrofits of electrical equipment in office premises and self-built data centers, so as to continuously strengthen our green competitiveness.

### Office Energy Management

To fulfil its commitment to energy conservation and emission reduction, Kuaishou has established clear energy management goals and is steadily advancing their achievement through systematic management mechanisms and diverse innovative measures. We continuously carry out green special initiatives, actively explore pathways for energy conservation and emission reduction, and are dedicated to creating low-carbon, sustainable intelligent office premises.

To drive the green and low-carbon transformation of office premises operations, Kuaishou formulated strategical plans in 2025 and targeted to further reduce the overall carbon footprint through offsetting mechanisms in future for the remaining emissions that were difficult to control, striving to achieve low-carbon operational goals.

### Green Site Selection

Kuaishou strictly selects locations in high-standard green buildings. Our new headquarters office building in Central Mobile Intelligence District in Beijing obtained LEED<sup>17</sup> (Building Operation and Maintenance) Platinum Certification in February 2025. Meanwhile, multiple office premises we leased across the country also obtained LEED certification, striving to select a healthy, energy-saving and environmentally friendly workspace that met international standards for our employees, further supporting the Company's sustainable development.



Hong Kong – Two  
International Finance Centre



Hangzhou —  
EFC T6 and T8



Wuxi —  
Henglong Square



Wuxi — International  
Finance Square

### LEED Certifications for Buildings in Kuaishou's Office Premises

<sup>17</sup> LEED refers to Leadership in Energy and Environmental Design.

# Environmental, Social and Governance Report

## Green Spaces

Kuaishou deeply integrates green building concepts into the planning and operation of office premises. We have introduced advanced intelligent building control systems, including innovative technologies such as intelligent daylight regulation systems and high-efficiency lighting equipment, significantly improving the energy use efficiency in office spaces.

We actively promote the intelligent upgrade of office spaces, investing nearly RMB1.6 million to create the “KRooms” intelligent meeting room solution. By implementing an IoT-based intelligent strategy, we integrate and connect data from smart hardware and infrared sensing devices, addressing the refined resource management of over 1,000 meeting rooms. By taking energy conservation and emission reduction measures such as intelligent lighting control, upgraded multimedia device automation on/off, and synchronized meeting room booking and ventilation operation systems at meeting rooms, we have effectively improved our operational efficiency and reduce our operational costs.

Simultaneously, Kuaishou has implemented multiple energy saving and carbon reduction initiatives in office premises, achieving significant results. Optimization and renovation projects for lighting and air conditioning systems were carried out in the CMID in Beijing and Wanjia Denghuo offices. Adjustments were made to restroom mirror lights, elevator hall lighting, public area lighting, and underground garage lighting, reducing equipment operation and lighting hours. By optimizing the operation hours of air conditioning systems, including fresh air units, restroom exhaust fans, and electric air curtains, we renovated office gyms, adding handheld showers to the overhead showers in the shower stalls to reduce the use of cold water in the shower stalls, as well as to reduce the use of gas and boiler water, effectively conserving water.

### Alteration Results for Green Spaces in Kuaishou’s Offices

#### Lighting System Optimization

The annual electricity saving was

**220,000**

kWh

#### Air Conditioning System Optimization

The annual electricity saving was

**720,000**

kWh

#### Water System Optimization

The year-on-year water saving in the gym of CMID was

**23%**

The year-on-year water saving in the gym of Wanjia Denghuo was

**30%**

## Office Energy-saving Training

We value employee participation and encourage all staff to jointly fulfil environmental protection commitments through various forms of science communication and awareness education. All employees complete mandatory and special environmental, health and safety training and pass assessments before onboarding, strengthening environmental protection awareness and responsibility fulfilment from the source. At the same time, we conduct regular systematic training for on-site property management and security teams to enhance their professional capabilities in energy-saving operations and risk responses.

# Environmental, Social and Governance Report

## Environmental, Health and Safety Training

Property management and security teams of Kuaishou completed approximately 3,000 attendance of environmental, health and safety training throughout the year, achieving 100% coverage of the national workplace. In the Beijing area, 22 thematic training sessions were held for resident suppliers, with content including various aspects such as practical energy conservation and emission reduction operations, enhancing the green operation and maintenance capabilities as well as emergency response capabilities of frontline teams.



## Green Advocacy

Kuaishou continuously conveys low-carbon concepts to all employees through channels such as ESG communication platforms and customized gift box packaging, advocating a green office culture. In meetings and external reception activities, we actively reduce the consumption of physical materials by adopting e-ink screen name cards and reusable visitor passes, and avoid using disposable gifts. We prioritize environmentally friendly materials as souvenirs, and choose FSC<sup>18</sup>-certified paper to print the Company's annual report, integrating the concept of sustainable development into all aspects of office operations.

## Green Transportation

Kuaishou systematically promotes the low-carbon transformation of travel. To improve overall efficiency, we centrally planned itineraries, coordinated with suppliers to arrange round trips in close timeframes during the reception process, and centrally dispatched new energy vehicles for transfers, effectively avoiding resource waste from multiple single-passenger, single-vehicle trips. We also implemented multi-stop itineraries to reduce layover time and unnecessary round trips at different places. For company-cooperative car rental services, we prioritized specifying pure electric or hybrid vehicles for transfer tasks, fully implementing the concept of green transportation. Kuaishou also actively encourages employees to practice low-carbon environmental protection during business travel. For example, employees who opt for designated green train routes instead of air travel will receive corresponding incentives from the Company. This initiative helped to reduce carbon emissions by approximately 600 tonnes in 2025.

Furthermore, Kuaishou commuter buses achieved 100% coverage by new energy electric vehicles. By fully adopting clean energy transportation vehicles, we effectively reduced traditional fuel consumption and lower carbon emissions.

<sup>18</sup> FSC refers to Forest Stewardship Council. It is an international non-governmental organization that promotes sustainable forest management worldwide.

# Environmental, Social and Governance Report

## *Energy Management in Data Centers*

Kuaishou has complied with national policy requirements such as the *Guiding Opinions regarding Accelerating the Construction of a Coordination and Innovation System for the Nationwide Integrated Big Data Center*, the *Overall Layout Plan for the Construction of Digital China*, and the *Implementation Opinions on Deepening the Implementation of “East-To-West Computing Resource Transfer” Project and Accelerating the Construction of the Nationwide Integrated Computing Network*, and revised and enhanced internal systems such as the *Kuaishou IDC Infrastructure Energy Management Strategy* and the *Kuaishou IDC Infrastructure Energy Consumption Management System*, so as to conduct systematic energy management of data centers. In 2025, Kuaishou established the *Policy on Forming an Environmental Management Task Force to Optimize Environmental Management Mechanisms*, deeply integrating green and low-carbon concepts into the entire lifecycle management of self-built data centers by setting up a three-tier environmental management structure for data centers and forming an environmental management task force to continuously optimize environmental management.

## *Energy Efficiency Assessment*

Kuaishou has established a systematic incentive and constraint mechanism for the energy efficiency management in the data centers. We conduct annual PUE indicator assessments for our self-built data centers, and have formulated clear reward and penalty management measures. Evaluations are conducted annually based on actual PUE achievement. Operational teams with excellent energy efficiency performance receive corresponding rewards, while those failing to meet energy efficiency targets are subject to tiered management measures. This drives the entire system to continuously improve energy use efficiency and strengthen the responsibility fulfillment for green operations. Through continuously increasing R&D investment in the field of green technology innovation as well as independent R&D and technological breakthroughs, we constantly enhance resource utilization efficiency and optimize energy recovery rates. In 2025, the average PUE of Kuaishou’s self-built data centers was 1.20, with a minimum reaching 1.14.

## *Energy Conservation and Emission Reduction Measures*

We have established a comprehensive waste heat recovery and utilization system. Kuaishou data centers are committed to maximizing comprehensive resource utilization during daily operations by converting waste heat into usable energy through advanced heat recovery technologies, significantly enhancing energy use efficiency. In terms of operational management, Kuaishou’s self-built data centers have adopted multiple innovative measures, including optimizing cooling systems, implementing intelligent energy consumption monitoring, and promoting energy-saving equipment upgrades. In 2025, we focused our investments in key carbon reduction initiatives, actively promoting multiple energy-saving technology renovations, including indirect evaporative AI projects and air-liquid hybrid cooling architecture, and the heat island effect mitigation pilot program, aiming to comprehensively improve energy use efficiency through hardware upgrades. Simultaneously, we regularly inspected system functionality and performance, and conducted cross-inspections between equipment rooms, annual spot checks and special inspections of varying depths for major holidays or other events, so as to fully ensure the operational efficiency in the equipment rooms and effectively reduce unnecessary energy consumption.

# Environmental, Social and Governance Report

## Green Energy Conservation and Emission Reduction Technologies and Measures Used in Kuaishou’s Self-built Data Centers

Green Technologies and Measures	Energy-saving Results
Energy-saving Building Systems	<ul style="list-style-type: none"> <li>• Introduce roof reflective coatings to lower temperatures around the equipment, which has been measured to reduce the energy consumption for air conditioning units by approximately 5%;</li> <li>• Install intelligent timers on roof lighting to automatically adjust on/off times according to seasonal changes, avoiding energy waste from lights being left on unnecessarily;</li> <li>• Adopt centralized natural gas heating to replace decentralized electric heating equipment, effectively reducing energy consumption for freeze protection in winter and lowering electricity consumption.</li> </ul>
Equipment Maintenance and Rectification Measures	<ul style="list-style-type: none"> <li>• Optimize water quality and clean up regularly, preventing scaling on heat exchanger cores, so as to maintain efficient heat transfer and avoid increased energy consumption;</li> <li>• Rectify the gas tightness for equipment rooms, and reinforce the isolation of hot and cold aisles, laying a foundation for improving overall energy efficiency and lowering the PUE of equipment rooms;</li> <li>• Dynamically optimize switchover points for air conditioning modes to reduce electricity consumption;</li> <li>• Retrofit pipelines to achieve condensate water recovery and regulate fresh air to reduce excessive dehumidification, lowering the energy consumption of constant humidity machines;</li> <li>• Establish lighting management specifications, implement zoned and time-controlled lighting (turning off lights in non-core areas/non-working hours, and maintaining only basic lighting in core areas), and label switches to guide proper use, advocating and enforcing the practice of “turning off lights when leaving”.</li> </ul>

## Environmental, Social and Governance Report

Green Technologies and Measures	Energy-saving Results
Advanced Cooling Technologies	<ul style="list-style-type: none"> <li>• The AI intelligent control system for the indirect evaporative cooling air conditioning in the core area of Ulanqab Data Center, jointly developed by Kuaishou and partners, has completed the development of 5 core algorithm modules and the construction of the system platform. This system integrates intelligent functions such as optimization of supply air temperatures, regulation of dry mode switching thresholds, dynamic optimization of compressor loading thresholds, coordinated regulation of water and electricity control, and prediction of equipment aging. Small-scale pilot applications of supply air temperature optimization and dry mode switching threshold algorithm modules have achieved a energy-saving rate of 4.3% for the air conditioning system, demonstrating significant energy efficiency improvement results;</li> <li>• Kuaishou has self-developed liquid-cooled cabinets and liquid-cooled dry coolers, etc., achieving ultra-high-density liquid-cooled heat dissipation while operating with near-zero water consumption;</li> <li>• Kuaishou's self-developed integrated waterless fluoropump air conditioning system has been deployed on a large scale with 500 units, supporting over 150MW of IT equipment. At scale, it is expected to save 1.2 million tonnes of water and 90 million kWh of electricity, significantly enhancing resource utilization efficiency;</li> <li>• Kuaishou's self-developed split fluoropump air conditioning system can support large-scale single-building cooling needs and is compatible with ultra-high-density air-cooling scenarios. Kuaishou is also actively exploring air-liquid hybrid solutions to further enhance system flexibility and energy efficiency performance.</li> </ul>
Power Supply Innovation Solutions	<ul style="list-style-type: none"> <li>• The Company has actively explored new simplified Uninterruptible Power System (UPS) solutions to meet future AI computing demands for low-cost, high-efficiency, compact, and integrated rapid deployment.</li> </ul>

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Green Technologies and Measures	Energy-saving Results
Waste Heat Recovery Systems	<ul style="list-style-type: none"><li>• Kuaishou’s self-built data center has implemented an innovative waste heat recovery product, which has been patented. This product addresses the gap in waste heat recovery for distributed air conditioning systems, achieving self-sufficient heating within the campus and reducing energy consumption and carbon dioxide emissions;</li><li>• Introduced total heat exchangers to direct the 35°C return air from the hot aisle of the equipment room into the unit for heat exchange with the 10°C cold air in the diesel generator room, thereby raising the temperature of the cold air in the diesel generator room, and achieving an energy consumption reduction of 5%–10%.</li></ul>

## Carbon Mitigation Solutions

Kuaishou closely follows national green energy policies, and actively implements low-carbon operations. We increased the proportion of renewable energy use by obtaining renewable energy such as solar and wind power through green electricity trading and green power certificate, so as to reduce the Company’s overall carbon footprint. In 2025, Kuaishou’s self-built data center purchased a total of 583,720 MWh of green electricity, accounting for 93.0% of its annual electricity consumption, thereby avoiding a total of 309,721.8 tonnes of CO<sub>2</sub> equivalent emissions, demonstrating our commitment to carbon reduction.

Meanwhile, the data center has initiated a self-built a photovoltaic power generation project, utilizing building roof space for planning and implementation. The project is expected to be completed in 2026.

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## Technology Achievements and Awards in Data Centers

In promoting industry collaboration and technology openness, Kuaishou has actively cooperated with a total of 10 peer enterprises from 2022 to co-establish the public-interest “Carbon Neutrality Open Technology Alliance” patent pool. The alliance has initially made 8 patents available for free external licensing, aiming to foster the integration of innovations in the fields of digital technology and carbon neutrality, and support the realization of national “Dual Carbon” goals through concrete actions. In 2025, Kuaishou achieved significant milestones in energy-saving technologies, filing 3 new technology patents: *Cooling Equipment, Cooling System and Cooling Control Method, A Technical Solution for Optimizing Airflow Delivery in Integrated Fluorine Pump Units, and Integrated Intelligent Dry Cooling Solution*. We also participated in the development of multiple industry standards, including the preparation of industry standards such as *Project Specifications in Data Centers* and *Technical Specifications for Liquid Cooling Components in Information Technology Servers and Storage Equipment*. We actively engaged in forums and seminars held by industrial organizations such as the Open Data Center Committee (ODCC) under the Ministry of Industry and Information Technology and the China Data Center Council (CDCC) under the Ministry of Housing and Urban-Rural Development, and participated in the compilation of technical documents such as the *800V High-Voltage Direct Current White Paper*, continuously advancing the improvement of industry standard systems in the data centers and the application of related innovative technologies.

In the field of sustainable development and technological innovation, Kuaishou’s self-built data center received multiple national and industry awards in 2025:



**Top 100 Enterprises in China’s Green Electricity Consumption**



**Innovative Technology Product Award of China IDC Industry in 2025**



**Outstanding Project Award of Top 10 Data Centers in 2025**



**Green Solution Award of China IDC Industry in 2025**



**Typical Case Award for Green Development in China’s Data Center and Intelligent Computing Industry in 2025**



**National Green Data Center in 2025**

## Energy Conservation and Emission Reduction Measures in Leased Data Centers

In addition to its self-built data centers, Kuaishou has expanded its footprint by leasing professional data centers, which serve as a flexible extension of capacity and geographical coverage. In managing leased data centers, the Company actively fulfils environmental responsibilities by extending green operations management into the supply chain, and promotes the implementation of energy conservation and emission reduction in partnered data centers through defining energy efficiency requirements, participating in energy-saving optimizations and other methods. In 2025, under Kuaishou’s influence and collaboration, relevant leased data centers implemented a series of specific measures to actively advance energy conservation and emission reduction.

# Environmental, Social and Governance Report

## Highlights of Energy Conservation and Emission Reduction in Kuaishou’s Leased Data Centers

Category	Highlights of Energy Conservation and Emission Reduction
Energy Conservation and Emission Reduction Incentives	<ul style="list-style-type: none"> <li>A leased data center of Kuaishou encouraged team innovation and optimization by establishing multiple incentives such as the “Outstanding Energy-Saving Team Award”, individual “Golden Idea” energy-saving award, and energy-saving benchmark award for projects, and promoted whole-team participation in energy conservation and emission reduction by the internal “Highlight Work” recognition mechanism.</li> </ul>
Energy Conservation and Emission Reduction Technologies and Solutions	<ul style="list-style-type: none"> <li>A leased data center of Kuaishou adopted a water-source heat pump heat recovery system, recycling heat recovered from wastewater to reduce energy consumption and CO<sub>2</sub> emissions.</li> <li>A leased data center of Kuaishou adopted a centralized chilled water air conditioning system and plate heat exchangers, utilizing lower outdoor temperatures during transitional or winter seasons to provide cooling sources by cooling towers and plate heat exchangers, and reducing chiller operation time and energy consumption.</li> <li>A leased data center of Kuaishou implemented a phase-change multi-split air conditioning system, which reduced heat transfer components in the air conditioning system, improved heat exchange efficiency in the air conditioning system, better utilized outdoor cooling sources and reduced mechanical cooling time, achieving a lower PUE.</li> </ul>
Management System Certifications	<ul style="list-style-type: none"> <li>Kuaishou’s different leased data centers successively obtained various system certifications in 2025, including ISO 9001 Quality Management System, ISO 20000 Information Technology Service Management System, ISO 22301 Business Continuity Management System, ISO 27001 Information Security Management System and ISO 27701 Privacy Information Management System, as well as ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety Management System certifications.</li> </ul>

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## 2.2.2 Water Resource Management

Kuaishou continues to strengthen water resource management, complying with the *Water Law of the People's Republic of China* and other relevant laws and regulations. We have developed and improved internal policies and documents, including the *Kuaishou Energy Saving and Consumption Reduction Management Policy* and the *Reclaimed Water Usage Management Policy*. Water usage in office premises and data centers is sourced from municipal water supply, with no issues regarding water source availability. We continuously enhance the water resource management system by introducing intelligent water monitoring systems and water-saving technologies, achieving refined whole-process control from water extraction and usage to sewage treatment. On this basis, we actively promote water recycling projects such as reclaimed water reuse, and enhance the construction and management of sewage treatment facilities, significantly improving water resource utilization efficiency and avoiding water waste and pollution. In 2025, we continued to develop and optimize the "Data Energy Dashboard", incorporating AI-powered intelligent analysis, integrating resource consumption data, and proactively identifying and diagnosing potential points for resource conservation and energy conservation and emission reduction. Water meter data has been fully integrated during the Reporting Period, providing core system support for refined water resource management and conservation.

During the Reporting Period, Kuaishou implemented multiple comprehensive initiatives in office premises and data centers to enhance water resource management performance.

### Kuaishou's 2025 Water Resource Management Initiatives

Category	Water Resource Management Initiatives
Office Premises	<ul style="list-style-type: none"><li>• Posted water-saving signs in office areas to encourage and guide employees to conserve water;</li><li>• Implemented water pressure balance renovation projects: Standardized water supply pressure between high and low floors by installing pressure regulation devices, effectively reducing water consumption in lower-floor areas;</li><li>• Comprehensively promoted the installation of water-saving aerators: While ensuring cleaning effectiveness, significantly reduced water usage per handwash by approximately 20% through foam technology, enhancing the efficiency of water resource utilization;</li><li>• Established a regular water volume monitoring and verification mechanism: Employed smart water meters and data collection systems to enable real-time monitoring and analysis of water usage, providing data support for water resource management decisions;</li><li>• Improved the inspection and maintenance system for water supply facilities: Through preventive maintenance and rapid response mechanisms, eliminated water waste caused by water leakage.</li></ul>

# Environmental, Social and Governance Report

Category	Water Resource Management Initiatives
<b>Self-built and Leased Data Centers</b>	<ul style="list-style-type: none"> <li>• Implemented preventive maintenance to ensure water efficiency: Installed insect screens, conducted advance valve maintenance, and optimized the operation strategy of humidifiers to avoid waste caused by blockages, overflows, and water quality deterioration at the source;</li> <li>• Strengthened source control to reduce total water consumption: Implemented temperature-based intelligent spray strategies, introduced reclaimed water, regularly cleaning water tanks, and enhanced daily inspections to detect and repair leakages, effectively reducing absolute water consumption;</li> <li>• Comprehensive water resource recycling system: Recovered and reused air conditioning condensate water and spray drainage; installed 3 sets of integrated sewage treatment equipment to systematically treat domestic sewage; implemented a reclaimed water recycle project, using treated reclaimed water for landscape irrigation in the park or, after secondary reverse osmosis treatment, for cooling water systems; built a 1,800 cubic meter rainwater collection pool to utilize rainwater resources for daily landscape irrigation in the park, further expanding the use of non-conventional water sources;</li> <li>• Adopted a fluorine pump natural cooling system in a leased data center of Kuaishou to replace the traditional water-cooling system, extending the use time of natural cooling sources and effectively reducing water consumption;</li> <li>• Conducted advocacy activities: Called on employees to raise awareness about water conservation.</li> </ul>

## Workplace Reclaimed Water Reuse System Renovation Project at Kuaishou's CMID in Beijing

As a key initiative in the Company's water resource management, the reclaimed water reuse system renovation project at Kuaishou's CMID in Beijing was officially put into operation in July 2025. Once operational, the project is expected to cover approximately 20% of the total water demand for non-toiletry water in toilets. This project replaced approximately 3,500 tonnes of fresh water in 2025, accounting for 5% of CMID's total water consumption, achieving a monthly water cost saving of approximately RMB4,300. It effectively enhanced water recycling efficiency and is estimated to replace and save 7,000 tonnes of fresh water annually in future, making a positive contribution to the sustainable use of regional water resources.

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## 2.2.3 Emissions Management

Kuaishou strictly follows the laws and regulations, such as the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste* and the *Discharge Standard of Pollutants for Municipal Wastewater Treatment* during its operations. Kuaishou has formulated and continuously improved internal regulations, including the *Kuaishou Domestic Waste Management Regulations*, the *Management Mechanism of Disposal of IT Equipment and Components in Data Centers* issued by the Department of Infrastructure and the *Solid Waste Management System for Ulanqab (Kuaishou) Data Center*. Through systematic management measures such as source reduction, classified collection, and standardized disposal, we have achieved standardized management of emissions.

### *Waste Management in Office Premises*

To implement waste management in workplaces, Kuaishou has comprehensively implemented a waste classification system across all its national office premises. By deploying dedicated personnel responsible for on-site supervision, sorting operations and data recording and feedback, we have effectively improved the sorting accuracy and resource recovery rate of non-hazardous waste such as domestic waste, kitchen waste, and other general office waste. For hazardous waste such as toner cartridges, ink cartridges, and used batteries, the Company strictly adheres to compliant management processes, uniformly entrusts third-party professional organizations with national certification qualifications for safe collection and disposal, ensuring their standardized and non-hazardous treatment. Furthermore, we continuously improve the disposal management and recycling mechanisms for IT equipment and office consumables, reducing resource waste through process optimization. The management measures implemented in our workplaces have further enhanced overall operational efficiency, achieving full-process management of waste from generation and classification to disposal.

# Environmental, Social and Governance Report

## Highlights of Kuaishou's Office Premise Waste Management

### Office Premises

- Kuaishou vigorously promotes paperless office practices and electronic contract signing processes. The penetration rate of electronic contracts has reached 98.0% in 2025, significantly reducing paper consumption;
- Kuaishou has launched a "Used Electronic Device Repurchase" program for employees to reduce electronic waste, covering electronic devices such as laptops, system units, computers, monitors, tablets. This program allows employees to choose to internally repurchase their devices after reaching the specified usage period, enabling the recycling and reuse of electronic devices, effectively extending the lifecycle of electronic products, and reducing waste generation at the source. In 2025, Kuaishou's employees repurchased a total of 6,477 devices through this program;
- To promote the reuse of donated items, Kuaishou has donated 70 pieces of usable office supplies to organizations in need, including large decorations, office chairs, office desks, laptops, computer base units, and televisions;
- Throughout the year, Kuaishou has commissioned professional partners to dispose of and sell a total of the following scrapped equipment: computer equipment (including laptops, monitors, desktop computers, etc.): 14,685 units; server equipment: 42 units; Network equipment: 659 units; office equipment (televisions, mobile phones, projectors, etc.): 3,509 units; ensuring the equipment is disposed of in compliance with environmental regulations, with partial resource recovery achieved.

### *Waste Management in Data Centers*

Regarding waste management in data centers, Kuaishou has undertaken systematic management covering institutional planning, supply chain collaboration, and daily execution. By formulating waste generation plans and incorporating them into departmental assessments, waste reduction targets are systematically broken down into departments such as procurement, operations and maintenance, and administration, and are included in their annual performance evaluation scope. A "Green Operations and Maintenance Team" has also been established to coordinate and supervise the execution of relevant plans. Building on this, Kuaishou's self-built and leased data centers have implemented multiple comprehensive waste management initiatives, achieving systematic, resource-based, and non-hazardous closed-loop waste management.

# Environmental, Social and Governance Report

## Kuaishou's Data Center Waste Management Initiatives

Category	Waste Management Initiatives
Self-built Data Centers	<ul style="list-style-type: none"><li>• <b>Waste recycling:</b> Establishing rigorous waste recycling systems, accompanied by management records, and collaborating with professional manufacturers to establish targeted recycling channels for recovering and reusing key materials such as cobalt and lithium from used batteries. During the Reporting Period, all 10 replaced batteries were professionally recycled by battery manufacturers.</li><li>• <b>Supplier collaborative management:</b> Requiring suppliers to use recyclable, easily degradable, simplified packaging; signing green packaging agreements with core suppliers; and encouraging them to provide equipment recycling or trade-in services.</li><li>• <b>Paperless office:</b> Actively promoting paperless and digital office processes. In 2025, the usage of paper documents in self-built data centers decreased by 60% year-on-year.</li><li>• <b>Classified treatment:</b> Setting up intelligent classified recycling stations within data center park to implement detailed classification and unified treatment of waste such as paper, plastic, metal, and glass to enhance resource recovery and utilization; implementing graded treatment involving testing and disassembly recycling for electronic waste; entrusting qualified institutions for the professional disposal of hazardous waste such as used antifreeze from diesel generators and used motor oil.</li></ul>

# Environmental, Social and Governance Report

## Leased Data Centers

- **Battery recycling:** We have established battery waste recycling systems in our major leased data centers and have implemented battery recycling work in some centers. All recycled batteries are ensured to be professionally processed by battery manufacturers for environmentally friendly disposal.
- **Equipment cascade utilization and recycling:** A leased data center of Kuaishou actively promotes equipment recycling and reuse. Decommissioned equipment and components, after maintenance and testing, are prioritized for redeployment to office areas for continued use, extending equipment lifespan. Parts that cannot be reused undergo disassembly and recycling. Decommissioned electronic equipment that is completely unrecyclable is handled by qualified suppliers.
- **Hazardous waste management:** Hazardous waste generated during data center operations, such as used motor oil and used coolant, is entrusted to qualified third parties for recycling; decommissioned lead-acid batteries replaced in equipment rooms are taken back by the battery manufacturers responsible for the replacement.

# Environmental, Social and Governance Report

## 2.2.4 Biodiversity Protection

Kuaishou consistently upholds the principle of balancing business and ecology, adhering to eco-friendly operational practices. During the construction and operation phases of the Ulanqab Data Center, we fully implemented environmental management requirements for projects of any scale. We conducted biodiversity assessments and mitigation measures across all operational scenarios to minimize impacts on local and surrounding ecosystems.

During the Reporting Period, Kuaishou's operational areas (including self-built data centers and office premises) were not subject to any environmental-related administrative penalties or violations.

### Data Center Biodiversity Protection Measures

Category	Biodiversity Protection Measures
Phased Implementation Measures	<p><b>New Site Planning and Construction Phase:</b></p> <ul style="list-style-type: none"><li>• Implement the "Three Simultaneities" system (pollution prevention facilities designed, constructed, and operationalized simultaneously with main projects);</li><li>• Develop environmental risk emergency response plans and submit them to relevant regulatory authorities for record;</li><li>• Clarify ecological protection clauses and environmental responsibilities and obligations with construction contractors;</li><li>• Conduct regular ecological environment monitoring in protected areas;</li><li>• Implement the "Six 100%" dust prevention measures: 100% site enclosure; 100% coverage of material stockpiles; 100% wheel washing for incoming/outgoing vehicles; 100% hardening of main roads; 100% moisture reduction for earthworks; 100% sealed transportation for construction waste.</li></ul> <p><b>Site Operation Phase:</b></p> <ul style="list-style-type: none"><li>• Formulate environmental protection management measures for the operational phase;</li><li>• Implement environmental monitoring, pollution prevention, ecological compensation and restoration;</li><li>• Incorporate campus greening into management, reducing the campus' s operational carbon emissions through the planting and maintenance of greenery.</li></ul>

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Category	Biodiversity Protection Measures
Systematic Measures	<p><b>Comprehensive Environmental Monitoring and Control:</b></p> <ul style="list-style-type: none"><li>• Conduct comprehensive testing of exhaust gases, wastewater, groundwater, and noise to ensure all indicators comply with national standards;</li><li>• Exhaust gas management: Implement detection and control to reduce the direct harm of harmful gases to vegetation and wildlife, preventing widespread dispersion of pollutants;</li><li>• Water body protection: Ensure wastewater discharge meets standards to avoid toxic substances entering water bodies;</li><li>• Regularly monitor groundwater quality to ensure the sustainable use of water resources;</li><li>• Systematic noise management: Strictly adhere to environmental protection laws and regulations such as the <i>Law of the Prevention and Control of Environmental Noise Pollution</i>, and integrate noise management into the environmental management system; ensure the noise generated from the operation of our self-built and leased data centers is strictly controlled within regulatory limits through systematic noise control measures; a leased data center of Kuaishou has undertaken noise reduction renovations, installed high-efficiency sound barriers and employed professional technical means such as advanced sound-absorbing and sealing materials, effectively reducing noise impact on surrounding communities.</li></ul>

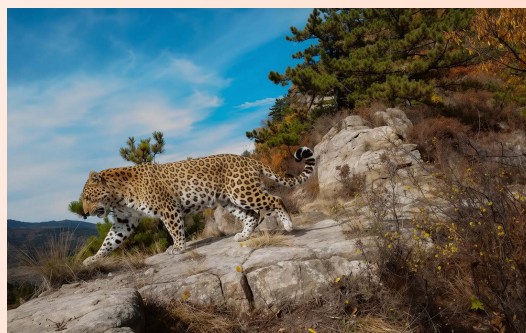
# Environmental, Social and Governance Report

## *Ecological Compensation Measures*

Kuaishou actively engages in ecological protection activities in its operational locations. In 2025, the Company participated in launching the Beijing ecological construction project “Coexisting with Oaks, Welcoming Leopards Home”, contributing to local ecological environmental protection and biodiversity restoration through concrete actions.

### **“Coexisting with Oaks, Welcoming Leopards Home”**

As one of the co-initiators of the joint action “Coexisting with Oaks, Welcoming Leopards Home”, Kuaishou, through its Beijing Kuaishou Charity Foundation, actively engaged in this regional ecological restoration plan led by provincial forestry departments from Beijing, Hebei, and Shanxi. The action aimed to systematically restore the habitat and food chain of the North China leopard by replanting 10 million oak saplings in key ecological corridors to reconstruct mixed coniferous and broad-leaved forest ecosystems. The project Kuaishou participated in and supported encompasses full-stage planning from short-term collaboration mechanism building and afforestation to medium- and long-term monitoring and community participation. Through concrete actions, it contributed to Beijing’s construction as a “City of Biodiversity Conservation” and was committed to achieving the dual goals of stable population reproduction for the North China leopard and sustainable regional development.



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## 3. LEADING THE INDUSTRY IN CREATING SOCIAL VALUE

Kuaishou is committed to fostering a secure and reliable online environment and strictly complies with laws, regulations and the latest domestic and international standards. By improving systems, strengthening protection technologies, and enhancing internal and external security awareness and skills, we continuously solidify our data security foundation and comprehensively safeguard user information security.

### 3.1 Safeguarding Information Security and Cybersecurity

Kuaishou regards data security and cybersecurity as the cornerstone of its development, and strictly complies with domestic laws and regulations such as the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, the *Provisions on the Administration of Mobile Internet Applications Information Services*. Furthermore, we have established a comprehensive internal policy system, formulating internal rules and regulations including the *Kuaishou Employee Information Security Code*, the *Kuaishou Information Security Management Regulations*, the *Third-party Platform Account Permission Management Standards*, the *Kuaishou Safety Violation Handling Management Regulations*, the *Supplier Information Security Management Regulations*, the *Kuaishou Application System Security Specifications* and the *Kuaishou Security Incident Emergency Response Specifications*. These policies provide comprehensive horizontal coverage across all business departments and vertically span the entire lifecycle of security management from suppliers to employees and users, thereby ensuring comprehensive and effective control over information security risks.

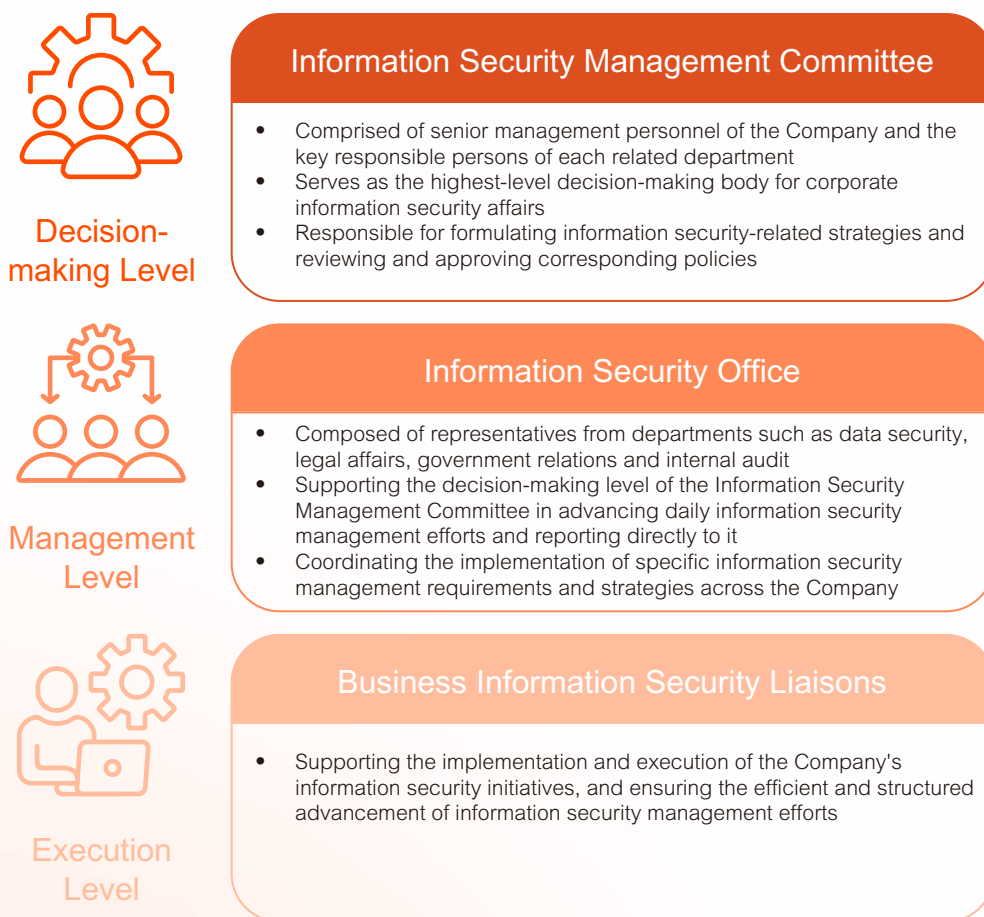
Furthermore, we continuously optimize our policy system to address new technological challenges. In 2025, we established or revised a total of 6 policies in relation to data and information security, with a focus on adding or updating processing specifications for scenarios such as large language model usage, non-work-related queries and data downloads. This ensures our security defense mechanisms dynamically adapt to the latest business scenarios, thereby comprehensively reinforcing our security perimeter.

During the Reporting Period, the Company did not experience any significant privacy or data breaches. Additionally, none of Kuaishou's associated suppliers encountered incidents that resulted in the leakage of privacy or data of Kuaishou's users.

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## 3.1.1 Security Management System

Kuaishou has established a top-down, three-tier information security management framework to centrally implement information security requirements across the entire company and strictly control information security and privacy risks. We continuously improve our data security policy system, standardizing full lifecycle data management to ensure security mechanisms dynamically adapt to business scenarios, thereby comprehensively safeguarding the data security perimeter.



During the Reporting Period, the Company and the Information Security Management Committee completed the appointment and internal reporting of a designated person responsible for personal information protection. The Information Security Office is responsible for supervising personal information processing activities and the protective measures taken.

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## 3.1.2 Information Security Audit and Certification

Kuaishou is committed to building a comprehensive protection system. In 2025, we obtained multiple information security management system certifications, including ISO 27001 Information Security Management, ISO 27701 Privacy Information Management, ISO 27017 Cloud Service Information Security Management and the Information Security Protection Level III Certification, covering over 90% of our business scope. This fully demonstrated our high standards and professionalism in security management. In terms of cutting-edge technology, our AI development platform newly obtained the ISO 42001 AI Management System Certification in 2025, showcasing that Kuaishou's AI security governance has received international authoritative recognition.

In terms of domestic professional recognition, we received the "Three-Star (System-Level)" Certificate for Social Responsibility Evaluation of Data Security and Personal Information Protection from the China Cybersecurity Industry Alliance (CCIA), as well as the Data Security Construction Capability Certification from the Digitalization Working Committee. In addition, Kuaishou Advertising and Content Alliance obtained the "IT Product Information Security Certification" in 2025, ensuring our ability to provide developers with a more stable and trustworthy software development environment.

We proactively conduct regular internal and external data security inspections and audits to ensure the continuous improvement of our information security system. The audit scope comprehensively covers the entire lifecycle and chain of responsibility for data processing. We conduct at least one internal audit of information system operation and maintenance as well as information security coordinated by the Internal Audit Department per quarter, focusing on reviewing the effectiveness of security principles, the completeness of log monitoring, and the standardization of third-party risk and personnel management processes. In 2025, Kuaishou obtained the "Personal Information Protection Compliance Audit Capability Evaluation Certificate", signifying our authoritative capability to conduct professional audits of internal personal information. Furthermore, we implement at least one external independent third-party audit annually. The audit scope encompasses various aspects, including compliance assessment and security risk analysis. Through precise evaluation, prevention and control of risk points, we ensure that the Company's network environment, technical measures, management systems and processing procedures strictly comply with regulatory and security requirements.

### Third-Party Audits or Inspections Conducted in 2025

Audit or Inspection Institutions	Audit or Inspection Matters
Security Research Institute of China Academy of Information and Communications Technology (CAICT)	Information security risk assessment — The assessment result was excellent — No data risk items at high-risk level or above
Standards and Technology Research Institute of CAICT	Internet application (APP) and software development kit (SDK) testing
China Electronics Standardization Institute	Personal information protection compliance audit
China Cybersecurity Review Technology and Certification Center	SDK Information Security and Compliance Certification
National Computer Virus Emergency Response Center	APP personal information protection testing

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## 3.1.3 Measures to Prevent Security Incidents

### *Proactive Pre-Event Defense Measures*

Kuaishou proactively manages the security of information system and assets by implementing measures such as security shift-left, system testing, penetration testing and security drills. These initiatives enable the continuous improvement of our information security system and the enhancement of our security protection standards and capabilities.

### *Shift-left Security*

We deeply integrate security mechanisms into the early stages of product design, research and development and testing, thereby achieving the shift-left security. Product managers are responsible for organizing the security requirement analysis and review of information system. This ensures that at every phase, from design, development and testing to acceptance and launch, the system meet project-specific security requirements and prevailing standards. During the construction process, especially at key stages such as requirement design, testing and launch, we consider security needs based on specific application scenarios. Corresponding security design and verification materials shall be submitted during assessment. For any issues identified, the responsible team shall promptly implement rectifications to enhance system security from the source. We also provide dedicated data security-related procedures, which can detect deep logical vulnerabilities during the research and development phase, thereby preventing vulnerabilities from the source.

Moreover, we actively introduce AI technology to build an intelligent automated data identification and classification system. This system is capable of conducting real-time scanning, detection and labeling of sensitive data during the initial stage of product testing, significantly improving the accuracy and response speed of data asset management and protection. This ensures more timely and effective security protection for data throughout its lifecycle.

### *Protection System Testing*

In terms of protection system testing, we employ diversified technologies and tools, such as white-box, black-box and gray-box scanning tools, to regularly evaluate our protection system. In addition to traditional manual testing, we have introduced AI-driven white-box alert analysis, which can accurately filter noise and enhance analysis efficiency.

In 2025, Kuaishou completed tiered protection evaluations for 23 systems.

### *Penetration Testing*

To build a proactive security system with in-depth defense capabilities, Kuaishou has implemented an “internal and external collaboration” security intelligence gathering mechanism. This mechanism aims to comprehensively monitor and assess the security posture of our products and services. In 2025, we conducted a total of 15 vulnerability discovery activities, with all identified risks promptly repaired.

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For external collaboration, we actively engage with crowdsourced testing platforms of white-hat hackers and security expert communities through the Kuaishou Security Response Center to encourage external forces to assist us in early identification of potential risks. The Company grants honor certifications and rewards to discoverers who submit valid vulnerabilities or intelligence, in recognition of their contribution to ecosystem security.

For internal management, we have established a dedicated and confidential channel for reporting security risks. This initiative encourages all employees, including those in technology, operations and customer service, to participate in security development. Employees who discover suspected security vulnerabilities, internal data violations or potential risks can report them with one click through this channel. For effective feedback that leads to the resolution of significant risks, the Company will provide recognition and incentives according to the reward system. In addition, we regularly organize internal security events such as risk challenge competitions and CTF events, awarding prizes and honor badges to outstanding participants.

## KLING Specialized Vulnerability Discovery Campaign

In April 2025, Kuaishou initiated a specialized security crowdsourced testing campaign for the domestic and international versions of “KLING”. We established a rigorous review mechanism based on the Kuaishou Security Center Handling Standards V3.0, assessing vulnerability severity by comprehensively considering the difficulty and the impact scope. This initiative attracted top security talents, effectively enhancing the defensive capabilities of our core AI business and strengthening the product’s security perimeter.



## Security Drills

Kuaishou conducts large-scale “Red Team vs. Blue Team” practical drills annually. In these drills, in addition to relying on our internal professional defense team, we specifically invite leading third-party attack teams, simulating real-world threat environments. The scope of these drills covers a holistic perspective, evaluating not only the ability to detect security risks but also comprehensively assessing the coverage of emergency response plans, the efficiency of emergency handling and post-event review processes. Through diversified methods such as simulated real attacks, monitoring and alert testing and log chain restoration, we thoroughly validate the effectiveness and completeness of security measures across various business scenarios.

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## *In-Event Security Incident Response and Post-Event Handling*

To address cybersecurity incidents, we have established the *Kuaishou Vulnerability Handling Specifications* and the *Kuaishou Security Incident Emergency Response Specifications* to standardize the handling process across 4 key stages: discovery, identification, response and reporting. By clearly defining the roles and responsibilities of all parties involved, we ensure the timely, consistent, effective and reasonable management of information security and privacy protection incidents.

Stage	Core Process Description
Discovery	The Security Response Center is established for employees and external parties to create a real-time monitoring mechanism in terms of security incidents, vulnerabilities, or suspicious activities. Upon detection of a data security incident, the emergency response procedure is immediately activated to ensure the incident is promptly brought under control.
Identification	Based on quantifiable indicators that assess the impact of security incidents on business data, clear tiering and classification standards are established to determine risk levels. The Information Security Center collaborates with the business department to identify problems and conduct in-depth analysis of the root causes of incidents.
Response	<ul style="list-style-type: none"><li>• Establishing the Emergency Security Working Group to facilitate cross-departmental collaboration, providing professional advice and technical support to ensure consensus is reached on response plans;</li><li>• Conducting data recovery or traceability activities, confirming the remediation plan, resolution timeframe and measures to limit the impact, implementing actions to minimize social repercussions, and strictly preserving all relevant traces and evidence throughout the process;</li><li>• Confirming resolution timelines, rigorously controlling the risk of escalation, and evaluating the completion of remediation efforts to effectively limit the scope of the incident's impact;</li><li>• Committing to repairing critical vulnerabilities within 24 hours and completing fixes for high-risk vulnerabilities within 48 hours.</li></ul>
Reporting	A comprehensive post-incident review of the emergency response process is conducted to summarize lessons learned, resulting in the generation of the Security Incident Emergency Response Report. This report serves as a foundational document for optimizing future security protections.

# Environmental, Social and Governance Report

## 3.1.4 Information Security Training

Kuaishou places high importance on building a data security culture. Through regular and systematic training and assessments, Kuaishou continuously strengthen the security responsibility awareness of all employees. The relevant content comprehensively covers the 3 core areas of cybersecurity, data security and information security. The related training has been incorporated into the Company's annual mandatory plan, requiring all employees to complete the learning and assessment, ensuring that security concepts are embedded throughout the entire process from onboarding to on-the-job stages. To ensure that security specifications are genuinely understood and integrated into daily operations, we employ innovative and engaging communication methods, combining online and offline activities such as interactive games, scenario simulations and knowledge competitions. These initiatives consistently strengthen employees' security awareness, collectively building the Company's security defense line.

In addition to company-wide general education, we have established specialized security training programs tailored to different business scenarios and critical roles. These include professional modules such as R&D security, content moderation security and workplace environment security. Through customized courses and regular assessment mechanisms, we ensure that security requirements are deeply integrated with job responsibilities, continuously enhancing the risk identification and emergency response capabilities of personnel in key positions. This "targeted and universal, all-staff covered" security training system not only strengthens the overall depth of defense but also builds a comprehensive corporate security protection network.

**Number of participants in information security training and assessments in 2025:**

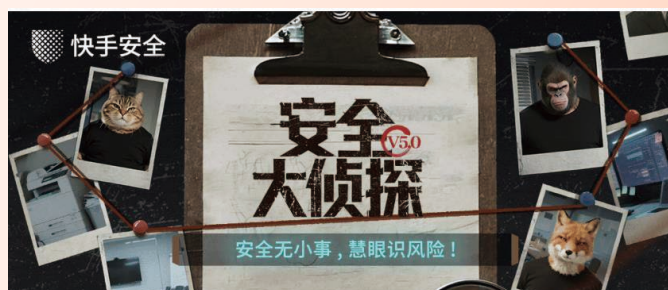
Over **35,000**

**Average security training hours per employee in key positions in 2025:**

Over **30 hours**

### Security Detective Mini-Game

In 2025, Kuaishou held the "Security Detective V.5.0" information security activity. Employees transformed into digital detectives, infiltrating every corner of the Company to identify all risk points within a set time limit to earn points, redeemable for various practical rewards. Participants completing all levels were eligible to enter a surprise lucky draw. This activity, through edutainment approach, deeply ingrained security awareness in every employee's mind.



# Environmental, Social and Governance Report

## 3.2 User Privacy Protection

Kuaishou places a high priority on user privacy protection, strictly adhering to the *Personal Information Protection Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, the *General Data Protection Regulation* of the European Union, the *California Consumer Privacy Act* of the United States, the *General Data Protection Act* of Brazil and other laws and regulations in its global operating regions. In internal management, we implement standards such as the *Kuaishou Employee Information Security Code*, the *Kuaishou Privacy Policy*, the *Data Security and Privacy Assessment Standards* and the *Third-Party Platform Account Permission Management Standards*. In 2025, we newly established the *Personal Information Protection Compliance Audit System*, which clarifies audit principles, regulatory requirements and procedures to ensure the secure processing of user data throughout the service lifecycle, providing users with a safer platform experience.

### 3.2.1 Privacy Protection Mechanism

Kuaishou consistently upholds 4 fundamental privacy protection principles. We process only the essential types and amounts of personal information necessary to fulfill the purpose authorized by the user, only collect personal data from third parties to the extent permitted by law, and delete such personal information in time once the purpose is achieved. Each of our products has its own independent privacy policy terms, and all privacy protection policies also apply to third parties collaborating with Kuaishou, providing better means to protect your personal information. Furthermore, Kuaishou never rents or sells user information. For third-party sharing necessary to provide services (such as e-commerce order fulfillment, etc.), we adhere to the "minimum necessary" principle, sharing only the minimum information required to fulfill that service and implementing strict security measures to prevent its misuse.

<b>Principle of Consistency of Rights and Responsibilities</b>	The platform employs necessary technical measures and management practices to ensure the security of personal information and assumes responsibility for the outcomes arising from personal information processing activities.
<b>Principle of Minimum Necessity</b>	In accordance with relevant requirements, the platform process only the essential types and amounts of personal information necessary to fulfill the purpose authorized by the user, and delete such personal information in time once the purpose is achieved.
<b>Principle of Security Assurance</b>	The platform possesses security capabilities commensurate with the security risks it faces and implements adequate management measures and technical means to protect the confidentiality, integrity and availability of personal information.
<b>Principle of Informed Consent</b>	The Company highly respects users' autonomy rights, fully informs users about the collection and use of their personal information and its purposes, and obtains active authorization from users.

Kuaishou has established a comprehensive personal information collection, de-identification and control system covering key sensitive data such as application lists, geolocation, phone permissions, phone address book, clipboard, contact book, photo album (storage), identity information and facial recognition. Through our internal privacy compliance detection platform, we conduct rigorous cardinal point testing before app releases to ensure that the entire process of data collection and utilization fully complies with compliance standards.

# Environmental, Social and Governance Report

At the technical level, in addition to the information security measures mentioned above, we employ encryption technologies to enhance the security of personal information and deploy stringent access control mechanisms to ensure that only authorized personnel can access relevant data. We also implement strict management practices for employees and contractors who may have access to user information, including role-based access control, signing of confidentiality agreements, and monitoring of operational activities. In the event of a leakage of users' sensitive information, we will promptly address the situation and notify users in accordance with the *Kuaishou Information Security Incident Emergency Response Specifications*, providing the utmost respect and protection for their personal information.

In terms of training, Kuaishou systematically conducted 8 specialized sessions on privacy protection, tailored to various business scenarios and role characteristics. The training content thoroughly covered China's current legal system, the underlying logic of compliance, and practical operational guidelines, providing employees with a solid cognitive foundation and professional learning pathway for fulfilling privacy protection obligations.

## 3.2.2 Third-Party Permission Management

To effectively prevent and control the risk of user privacy leakage, Kuaishou has established the *Kuaishou Security Management Requirements for Outsourced Personnel* to regulate the conduct of outsourced personnel. This policy implements full-process security controls over outsourced personnel entry, on-site presence, and departure, explicitly requiring compliance with confidentiality agreements, equipment and asset usage protocols, and information processing rules. Furthermore, our privacy protection policies apply comprehensively to third-party partners, requiring their commitment to the 4 key principles of "consistency of rights and responsibilities, minimum necessity, security assurance, and informed consent". The Legal Department also regularly reviews and revises confidentiality agreement clauses to ensure they consistently meet the Company's high standards for information security.

## 3.2.3 Safeguarding User Rights

Users are clearly informed about the purposes of information collection and usage, their rights to manage personal information, and options such as access, correction, deletion, withdrawal of consent, cancellation, specific consent, and proxy rights. This ensures that users have full control over their personal information, fostering trust and satisfaction with the platform.

# Environmental, Social and Governance Report

## *Product Personal Information Management and Rights*

<b>Privacy Pop-up</b>	Upon first launching the APP, a pop-up will display the link to the privacy policy, informing users about APP privacy protection details. Product-related services will only be provided after obtaining users' consent
<b>Privacy Settings</b>	Viewing current privacy status and adjusting related functions
<b>Personalized Recommendations</b>	Adjusting settings for personalized content and advertisements
<b>Personal Information Management</b>	Users can access, correct, and download their personal information at any time
<b>Account Cancellation</b>	Providing irreversible account cancellation functionality
<b>System Permissions</b>	Viewing the current system permissions granted to the APP and directly navigating to the system settings to adjust permissions
<b>Account Authorization Revocation</b>	Viewing Kuaishou account authorization status and revoking permissions for third-party products
<b>Privacy Policy Viewing</b>	Viewing the privacy policies for relevant products within the APP at any time

### 3.3 Standard Ecosystem Development

We actively promote standard ecosystem development. Externally, we play a pivotal role in shaping industry standards, contributing Kuaishou's practical experience. Internally, we utilize automation platforms to significantly improve the efficiency of standard awareness. Facing the challenges brought by AI technology, we implement strict data security and ethical baselines from research and development to application, ensuring technological development balances compliance and social responsibility.

#### 3.3.1 Industry Standardization Work

Kuaishou actively participates in the work of over 20 standardization organizations, including the National Technical Committee 260 on Cybersecurity of Standardization Administration of China (SAC/TC260), the China Communications Standards Association (CCSA), the Telecommunications Terminal Industry Forum Association (TAF), the Internet Society of China (ISC), the China Cybersecurity Industry Alliance (CCIA), the China Advertising Association (CAA), and the Institute of Electrical and Electronics Engineers (IEEE SA), and continues to pay attention to development of innovative technology. In 2025, Kuaishou joined the AI Committee of China National Information Technology Standardization Network (SAC/TC28/SC42), the Computing and Network Integration Industry and Standards Promotion Committee (CCSA/TC621), and the Committee on AI Technology and Standards Promotion (CCSA/TC602) as new members. We also joined the Internet of Things and Industrial Digital Intelligence Working Committee of the Internet Society of China, actively participating in standardization work in areas such as AI and personal information protection.

# Environmental, Social and Governance Report

We actively promote the standardization development in the fields of AI and data security. In 2025, the Company was deeply involved in the formulation of multiple national standards such as GB 45438–2025 *Cybersecurity Technology - Labeling Method for Content Generated by AI* and GB/T 45654–2025 *Cybersecurity Technology - Basic Security Requirements for Generative AI Service*, providing referenceable technical pathways for the industry. Simultaneously, Kuaishou is active in technical seminars and exchange conferences hosted by TC260, CCSA, and CCIA, sharing practical experience in enterprise data security and personal information protection. Driven by the twin engines of “standard development” and “technology sharing,” Kuaishou continues to lead industry security standards and build a clear and healthy online ecosystem.

Achievements in standard development for 2025:

In the fields of AI, protection of minors, personal information protection, data security, and anti-phone scam, etc.

**185**

International, national, industry and group standards that Kuaishou participated in

**14**

International, national, industry and group standards led by Kuaishou

**68**

Standards that Kuaishou participated in and being published

**6**

Standards led by Kuaishou that have been published

**2025 Technology Innovation Award and Nomination Award from the Telecommunications Terminal Industry Forum Association**

The group standard implementation application cases that Kuaishou participated in, “Deep Synthesis Face Information Series Standard Application Case” and “Mobile Smart Terminal Risk App Installation Warning Prompt”

**China Cybersecurity Industry Alliance’s Collection of Typical Cases on Minors’ Personal Information Protection (2025)**

Kuaishou’s technical practice solution for child age recognition and guardian separate consent

# Environmental, Social and Governance Report

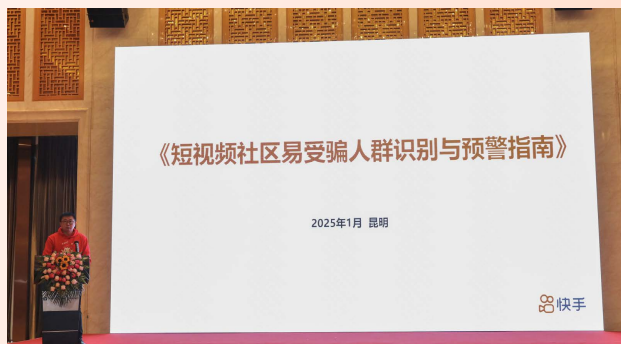
## Key Standards Led or Participated in by Kuaishou

<b>AI Applications</b>	<ul style="list-style-type: none"> <li>• T/CCSA 641-2025 <i>Technical Requirements for AI-Based Marketing Video Auto-Generation Services</i> (Lead)</li> <li>• T/CCSA 735-2025 <i>Technical Requirements for Cloud Rendering General Capabilities for Real-Time Interactive Applications</i> (Lead)</li> <li>• Published T/CCSA 748-2025 <i>Technical Requirements for 3D Digital Human Virtual Digital Human</i> (Lead)</li> <li>• TC260-PG-20257A <i>Cybersecurity Standards Practice Guide - Labeling Method for Content Generated by AI: Implicit Identification of File Metadata - Video Files</i> (Lead)</li> </ul>
<b>Minor Protection</b>	<ul style="list-style-type: none"> <li>• YD/T 6414-2025 <i>Technical Requirements for Informing and Obtaining Consent in the Processing of Children's Personal Information by Mobile Internet Applications (Apps)</i> (Lead)</li> <li>• TC260-PG-20253A <i>Cybersecurity Standards Practice Guide - Technical Requirements for Mobile Internet Minor Mode</i> (Participation)</li> </ul>
<b>Privacy Protection</b>	<ul style="list-style-type: none"> <li>• GB/T 45392-2025 <i>Data Security Technology - Security Requirements for Automated Decision Making Based on Personal Information</i> (Participation)</li> <li>• GB/T 45574-2025 <i>Data Security Technology - Security Requirements for Processing Sensitive Personal Information</i> (Participation)</li> <li>• GB/T 46068-2025 <i>Data Security Technology - Security Certification Requirements of Personal Information Cross-Border Processing Activities</i> (Participation)</li> </ul>
<b>Data Security</b>	<ul style="list-style-type: none"> <li>• GB/T 45577-2025 <i>Data Security Technology - Risk Assessment Method for Information Security</i> (Participation)</li> <li>• GB/T 45909-2025 <i>Cybersecurity Technology - Implementation Guide for Digital Watermarking Technology</i> (Participation)</li> <li>• GB/T 46071-2025 <i>Data Security Technology - Guidelines for Social Responsibility in Data Security and Personal Information Protection</i> (Participation)</li> </ul>
<b>Live Streaming Governance</b>	<ul style="list-style-type: none"> <li>• T/ZGYC 011 - 2026 <i>Requirements for Network Performance Group Live Streaming Operation and Management</i> (Participation)</li> </ul>

# Environmental, Social and Governance Report

## Industry Standards Presentation

In January 2025, Kuaishou hosted the 13th standard meeting of CCSA TC8/WG5, engaging with industry partners on the governance of telecom and online fraud. During the meeting, the Company conducted a special promotion and explanation session on the industry standard Guidelines for Identifying and Warning Vulnerable Groups in Short Video Communities, which it led in formulation. Kuaishou shared its practical insights and experiences in user protection and risk prevention, continuously refining the safety protection system for the short video industry.



### 3.3.2 Internal Standardization System Work

In 2025, Kuaishou built an automated monitoring tool platform, achieving 7x24 tracking and real-time alerts for developments across multiple ministries and standardization organizations, significantly accelerating internal teams' awareness of standardization information. Simultaneously, leveraging a self-developed data platform, we achieved unified management of compliance standards and business standards, enabling the quantification and visualization of standardization outcomes.

Regarding standard implementation, Kuaishou actively collaborated with internal teams to complete pilot verification for 6 national standards, including *Mobile Application Distribution Platforms — Service and Management Specifications* and *Guidelines and Evaluation Methods for Personal Information Anonymization*. For cutting-edge technology, the "KwaiYii Large Model" has passed the self-assessment pilot based on GB/T 45654-2025 *Cybersecurity Technology - Basic Security Requirements for Generative AI Service*, achieving a foundational level of security capability, and continues to undergo comprehensive upgrades in data, model, and service security.

### 3.3.3 AI Ethics and Security

With the rapid development of AI technology, challenges in technological ethics emerge. While actively embracing the artificial intelligence generated content (AIGC) trend, Kuaishou places high importance on compliance and social ethics. In 2025, we formulated and implemented a series of guidelines including the *Labeling Management System for Content Generated by AI, Large Model and AIGC Application Security Specifications*, and *Large Model Security Specifications*. These strictly define security requirements from model training and development deployment to application phases, and establish mandatory security baselines such as data source review, de-identification, and output quality control. Furthermore, certain AI offering of Kuaishou received the ISO 42001 AI Management Standard certification and completed the filing according to GB/T 45654-2025 *Cybersecurity technology - Basic Security Requirement for Generative AI Service* in 2025, signifying that our AI security governance has reached domestic and international leading standards.

# Environmental, Social and Governance Report



GB/T 45654-2025 Cybersecurity Technology - Basic Security Requirement for Generative AI Service Certification



ISO 42001 Artificial Intelligence Management System Certification

## AI Bias Mitigation

To ensure the fairness of AI, we have established a strict bias prevention and control system at both data and model levels. At the data level, we emphasize diversity requirements. Training samples must extensively cover different groups, scenarios, and regions. We have established data cleansing standards to strictly eliminate discriminatory or biased samples, ensuring fairness from the source.

At the model level, we implement a fairness evaluation mechanism. Models must pass bias testing before launch, checking for unfair treatment towards specific groups (such as differences in risk control credit or accent recognition quality). Models failing the test are strictly prohibited from launch. Additionally, we formed a cross-departmental ethics review team comprising legal, data, and sociology experts. This team conducts full-process reviews for high-risk applications such as recruitment and risk control, thoroughly assessing potential biases and social impacts to ensure technological applications meet ethical standards.

## User Right to Know

We have established a multi-dimensional AI content identification technology system covering the entire lifecycle from production and publishing to tiered distribution. Through automated identification and tagging, we ensure AI content is "labeled as required," laying a clear informed foundation for users. According to the *Labeling Management System for Content Generated by AI*, we combine multiple dimensions including visible watermarks, implicit metadata watermarks, author active declarations, and technical identification to ensure generated content is properly labeled, helping users in accurate identification. Simultaneously, we actively guide creators to make active declarations, encouraging them through product prompts to label creative intent and sources, collectively building a responsible content ecosystem.

# Environmental, Social and Governance Report

## *Respecting Data Privacy*

Users must separately check authorization boxes before entering AI applications. We provide advance notice of the personal information protection statement, clearly outlining data protection measures. When using self-developed or third-party large models for training or fine-tuning, we strictly adhere to the “Principle of Minimum Necessity,” requiring data undergoes cleansing and desensitization. It avoids using users’ personal information or business secrets as training input, safeguarding privacy security from the source.

## *Protecting Cybersecurity*

To ensure the cybersecurity of AI systems, we implement strict protection mechanisms. All business departments must submit security assessment reports before using large models equipped with plugins or tools. Simultaneously, business processes must record operations and external transmission logs throughout the workflow, ensuring traceability of security incidents. Before introducing external large model collaborations, third-party partner management and technical capability assessments must be completed to ensure their data transmission and storage standards comply with security specifications, mitigating potential risks. For external Application Programming Interface (API) services, we implement strict authentication and credential restrictions, conduct regular security assessments, and require third-party developers to comply with user privacy policies, data security agreements, and relevant laws and regulations, building comprehensive system security defenses.

# Environmental, Social and Governance Report

## 3.4 AI Technology Empowers Sustainable Development

AI has become a core tool driving corporate growth. Through AI technology, we have achieved optimization and improvement across environmental, social, and governance dimensions, comprehensively empowering Kuaishou's sustainable development towards a more competitive future.

 <b>Environmental Level</b>	 <b>Social Level</b>	 <b>Operations and Governance Level</b>
<p><b>Energy Management</b></p> <p>Kuaishou collaborated with its partners to develop an AI intelligent control system for indirect evaporative cooling air conditioning in the core area of the data center in Ulanqab. This involved developing 5 algorithm modules (supply air temperature optimization, dry mode switching threshold optimization, compressor loading threshold optimization, dual water-electricity control, aging prediction) and building the AI intelligent control system platform.</p> <p><b>Related Performance Data:</b></p> <ul style="list-style-type: none"><li>• Preliminary small-scale pilot applications of supply air temperature optimization and dry mode switching threshold algorithm modules have achieved an energy saving rate of <b>4.3%</b> for the air conditioning system</li><li>• In 2025, the data center in Ulanqab saved <b>139,000</b> kWh of electricity</li></ul>	<p><b>User Protection</b></p> <p>In view of the compliance pain points in the product release link, Kuaishou E-commerce launched AI automatic repair and pre-interception reminder functions. Low-risk commodity violations, such as product titles containing advertising limit words and obvious exaggerated propaganda terms, AI intelligently identified violation risks and gave suggestions for modification, which greatly improved the efficiency and compliance rate of commodity listing.</p> <p><b>Related Performance Data:</b></p> <ul style="list-style-type: none"><li>• This feature has cumulatively prevented over <b>2.67 million</b> products from being removed, recovering more than RMB<b>38 million</b> in GMV for merchants</li></ul>	<p><b>Information Security</b></p> <p>In the full lifecycle protection, we integrated AI vulnerability detection, white-box alert analysis, and automatic remediation technologies, significantly improving overall security levels. Especially in intrusion detection, AI large models automatically analyze alerts, deeply correlate context and attack chains, and achieve an automated closed-loop from perception to handling. This has drastically reduced the average time for analysis and loss mitigation from "hours-level" to "minutes-level," significantly improving operational efficiency and ensuring long-term robust system operation.</p> <p><b>Related Performance Data:</b></p> <ul style="list-style-type: none"><li>• In common vulnerability scenarios, AI's accuracy in mining horizontal privilege escalation vulnerabilities can reach over <b>80%</b></li><li>• The recall rate for cross-site scripting (XSS) vulnerabilities reached over <b>95%</b></li><li>• With the support of various AI technologies, Kuaishou's main platform vulnerability remediation rate reached <b>97.3%</b> in 2025</li></ul>

### *Kling AI Empowers Content Creators*

Leveraging the self-developed large models "Kling" and "Kolors," Kling AI provides global creators with high-quality video and image generation and editing capabilities. The multiple version updates in 2025 were the continuous attempts to empower global content creators, further enhancing the controllability, stability, and consistency of generated content. This lays a solid foundation for professional scenarios such as film and television, short dramas, gaming, animation, and advertising and marketing, meeting creators' core needs for material production and management.

# Environmental, Social and Governance Report

2025 Kling AI	
Videos Generated	Creator Base
<b>600+ million</b>	<b>60+ million</b>
Number of Customers	
<b>30,000+</b>	

Kling AI is actively expanding its international influence, serving as a bridge for Chinese AIGC creators to reach the world. Since 2025, Kling AI has successively appeared at international film and television exhibitions in Busan, Cannes, and Tokyo. Its NEXTGEN Global New Visual Creation Competition attracted over 4,600 entries from 122 countries, fully demonstrating the outstanding contribution of Chinese AI tools in stimulating global creative potential.



NEXTGEN Global New Visual Creation Competition Offline Award Ceremony and Roundtable Forum Activities

## 3.5 Protection of Intellectual Property Rights

Kuaishou is aware that a robust intellectual property (IP) protection system is core to sustained corporate innovation, effectively protecting innovation outcomes and enhancing business competitiveness. We strictly comply with patent, trademark, copyright, and other laws and regulations in the countries or regions where we operate. We have also established internal regulations such as the *Standard Patent Work Manual*, *Patent Quality Control Standards*, and various rights registration guidelines to ensure standardized and regulated management processes.

In 2025, the Company achieved several milestone results in the intellectual property field: Regarding trademarks, it received 3 new “Well-Known Trademark” recognitions during the year and passed the second supervision evaluation for the “AAA China Famous Trademark Brand”. 2 patents were awarded the “China Patent Excellence Award”. The intellectual property compliance management system continued to operate robustly, successfully passing the national standard supervision review and certification. We also received funding support for overseas intellectual property rights protection assistance from the Beijing Municipal Intellectual Property Office in 2025. This is not only authoritative recognition of our trademark dispute resolution capabilities but also provides solid guarantee for the globalized development of enterprises.

# Environmental, Social and Governance Report

Global Cumulative Patent Applications Filed

14,265

Patents Granted

7,985

Domestic and International Registered Trademarks Held

10,969

Copyright Registrations Completed

7,906

Furthermore, Kuaishou successfully co-hosted the “Livelihood Brand Intellectual Property Protection” themed day event with major brands in 2025. We successfully invited numerous well-known brands to officially join the Kuaishou E-commerce Intellectual Property Protection Alliance. Through in-depth collaboration between the platform and brand owners, we are committed to providing consumers with high-quality and trustworthy products and services, building strong protection barriers, promoting the healthy development of the e-commerce ecosystem, and creating long-term social value.

## Kuaishou Successfully Joins the Video Distribution Patent (VDP) Pool Organization

Kuaishou officially joined Access Advance’s VDP pool as a founding member in July 2025, holding dual roles as both a licensor and a licensee. This not only marked a milestone for Kuaishou in collaborative intellectual property protection and the development of international rules, but also marked the transformation of Chinese enterprises from adapters to leaders in the formulation of global patent licensing rules. Through the patent pool, Kuaishou has gained global patent licenses for core video coding standards including HEVC, VVC, AV1, and VP9. Furthermore, the Company shared its standard-essential patent portfolio with the global community under fair, reasonable, and non-discriminatory terms, driving the widespread adoption of video technologies worldwide. Kuaishou’s participation alongside other leading domestic companies underscored Chinese enterprises’ leadership in setting international patent licensing standards. The Company will continue to leverage technological empowerment and intellectual property sharing to accelerate the iteration of cutting-edge technologies such as video optimization and network transmission, delivering superior audiovisual experiences to global users and supporting the high-quality development of the industry.

# Environmental, Social and Governance Report

## *Intellectual Property Awareness and Training*

To enhance employees' awareness of and capability in intellectual property compliance and protection, Kuaishou conducted a total of 9 specialized IP training sessions in 2025, attracting more than 300 participants. Based on a solid accumulation of internal capabilities, Kuaishou actively transformed its professional expertise into external public value. During the World Intellectual Property Day (April 26), the Company successfully held an Awareness Week. Through cross-departmental collaboration, 9 diverse themed events were launched, reaching 12,000 internal employees and over 100,000 external audiences — achieving record-high participation. As the sole invited corporate representative, Kuaishou delivered a keynote speech at the National Intellectual Property Administration Open Day. Meanwhile, the Company's self-developed "KLING AI" was deployed for the first time in national-level promotional initiatives. This not only leveraged technology to empower the popularization of intellectual property and set a new industry benchmark, but also significantly enhanced the brand's social influence.

## 3.6 Platform Ecosystem Governance

As a leading content community and social platform in China and globally, Kuaishou is committed to delivering high-quality, safe, and responsible services. Through comprehensive content review and governance mechanisms as well as product features, we continuously enhance ecosystem governance and the diversified development of content. We place a high priority on minors' protection and fully safeguard the health, safety, and diversity of the platform environment, building a trusted and vibrant digital community for users.

### 3.6.1 Responsible Content Governance

Kuaishou upholds social responsibility at all times and is committed to fostering a healthy and high-quality content creation environment. We strictly comply with laws and regulations including the *Cybersecurity Law of the People's Republic of China*, the *Administrative Measures for Internet Information Services*, the *Administrative Measures for the Graded Protection of Information Security*, the *Detailed Rules for Online Short Video Content Review Standards* and the *Provisions on the Administration of Internet Live-Streaming Services*. By implementing internal systems such as the *Kuaishou Community Management Code*, the *Kuaishou Technology Accountability and Penalty System*, and the *Kuaishou Business Review Emergency Plan*, we have clarified content standards and review mechanisms, cracked down on fraud and online violence, and fully safeguarded a healthy and high-quality content creation space.

#### *Anti-Fraud and Anti-Scam Governance*

Kuaishou attaches great importance to combating traffic-driving fraud, strictly abides by the *Anti-Telecom and Online Fraud Law of the People's Republic of China*, and fulfills its platform's primary responsibility. We comprehensively leverage technologies such as AI large models to build a full-chain anti-fraud protection network from "identification" to "dissuasion". For large-scale and organized traffic-driving fraud, we leverage our strengths in big data and AI to expand the scope of governance from individual accounts to the identification of fraud rings, significantly improving disposal efficiency.

# Environmental, Social and Governance Report

## Achievements in AI Large Model Anti-Fraud Governance



Annual Anti-Fraud  
Notifications Dispatched

**1.018 Billion**



Fraud Risk Interception Rate  
Enhanced to:

**98%**



Proactive Alerts Issued to  
Potential Fraud Victims:

**166 Million**



Daily Active Anti-Fraud Risk  
Control Models:

**170**



Daily Anti-Fraud Strategies  
in Operation:

**2,500+**



AI-Powered Outbound Calls:

**16.7 Million**

Kuaishou has also continuously optimized its police-enterprise linkage mechanism, leveraging its technological strengths to empower law enforcement agencies in combating and regulating fraud and other criminal activities. In 2025, Kuaishou provided police with over 16,000 crime-related leads, assisting in the apprehension of 960 suspects involved in fraud and other illegal activities.

We leverage the advantages of “short-video + live-streaming” and support creators in producing anti-fraud related content through innovative forms such as micro-dramas, animated science popularization, and case studies, fostering a nationwide atmosphere of anti-fraud awareness. We have developed sophisticated identification models to accurately pinpoint potential vulnerable groups, and established a five-scenario alert mechanism covering video content, voice calls, admin private messages, SMS, and outbound calls, providing comprehensive anti-fraud alerts at every stage, including pre-emptive, real-time, and post-event.

# Environmental, Social and Governance Report

## KLING AI Empowers Anti-Fraud Campaigns

During the 2025 Double Ninth Festival, Kuaishou partnered with public security organs in Yunnan and Shanren Band to launch the anti-fraud hit song “Wine Song (《酒歌》)”. The campaign innovatively blended local ethnic culture with humorous skits. By leveraging Kuaishou’s Kling AI large model to generate visual effects, the team vividly exposed the tricks used in elderly care fraud. This case study garnered over 30 million views across the web, significantly enhancing public awareness of fraud prevention.



## Cyberbullying Governance

We are committed to comprehensive cyberbullying risk identification and review. By monitoring comment sections with high report rates and high risk concentration, we proactively identify potential threats and promptly implement control measures. For the interception mechanism, we adopt a two-pronged strategy:

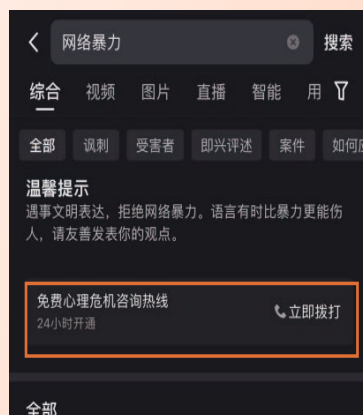
- **Multi-dimensional Risk Interception:** Establish libraries of blacklisted words, similar phrases and images to conduct post-hoc supplementary interception for known cases; simultaneously deploy a dedicated insult and defamation detection model to achieve proactive interception of all potential risks.
- **Precision Governance by Scenario:**
  - Live Streaming: Implement manual review and real-time monitoring to immediately terminate non-compliant streams and impose temporary bans.
  - Short Videos: Combine keyword and model-based filtering with strict manual verification to prevent the spread of cyberbullying content.
- **User Tiered Management:** Upgrade protection measures for sensitive groups such as minors, the elderly, the vulnerable, the sick and the disabled; simultaneously identify high-risk users and impose enhanced penalties to curb violations at the source.
- **Governance Outcomes:**
  - During the Reporting Year, 4,580,423 pieces of cyberbullying messages were intercepted, and 72,945 accounts were addressed. This included the removal of 66,817 pieces of messages involving doxing and leaks of others’ private information, with 7,932 accounts addressed.
  - During the Reporting Year, 8,404 users at risk of being attacked were proactively reminded to enable the one-click protection feature.

# Environmental, Social and Governance Report

## Platform Anti-cyberbullying Features

### Search Warm Reminders

Added warning prompts related to cyberbullying on search pages, and enabled a one-click feature to access free mental health consultation hotlines.



### “One-Click Anti-cyberbullying” Feature

- **Autonomous Permissions:** Users can independently set post visibility and repost permissions, and flexibly adjust the scope of private message reception.
- **Private Message Control:** Impose a strict restriction of “only one message allowed within 24 hours if no reply is received” for messages from strangers.
- **Early Warning and Protection:** The system issues alerts to potential victims, and guides or assists users in activating the “One-Click Protection” feature to instantly block cyberbullying harm.



# Environmental, Social and Governance Report

## *AIGC Content Governance*

As AIGC has become a prominent trend on internet media platforms, implementing sound content governance measures has become a key task for Kuaishou to ensure a healthy platform ecosystem. To address the rapidly evolving AI content ecosystem and potential risks, we have established a systematic rule-based governance and iterative mechanism, providing a solid institutional foundation for all governance efforts. We strictly comply with regulatory requirements such as the *Labeling Method for Content Generated by AI*, formulated rules including AIGC content re-review and labeling, thereby clarifying the core governance principles and compliance bottom lines.

We will implement routine monitoring and early warning. Through regular sampling assessments of the Violation Content Virality Rate (VVR), we continuously monitor the type distribution and risk levels of on-platform AI content. Relevant data and conclusions will be circulated in the form of regular reports, providing data support for strategy optimization and ensuring the proactivity and foresight of governance efforts.

At the implementation level, we have added a dedicated “AI Content” reporting category to our existing system. This allows us to centralize data collection and ensure rapid response to emerging risks. Meanwhile, by establishing an “AI Risk Case Library” and organizing regular team assessments, we translate typical cases into governance experience, dynamically update community guidelines, and establish a closed-loop governance system featuring the cycle of “Identification — Analysis — Codification”.

Kuaishou has established a risk-based tiered governance framework and implements differentiated strategies for content of different attributes:

- **High-risk content:** Content involving misinformation, social bias or harm to public interests is subject to strict pre-emptive identification, blocking or distribution restriction.
- **Medium-risk content:** Misleading or controversial content is addressed with measures such as warning labels, traffic throttling and user prompts to foster a healthy ecosystem.
- **Low-risk content:** Primarily entertainment-oriented content with no obvious harm is handled mainly through labeling and notification, while safeguarding users’ creative freedom.

For high-and medium-risk content, relevant warning notices would be displayed during playback, to enhance user risk awareness and strengthen platform accountability. For low-risk content, identification labels would be applied (e.g., “Created (or suspected to be created) by AI”).

We have also established a multi-dimensional AI content identification technology system, covering the entire content lifecycle from production and release to hierarchical distribution. This system facilitates the automated identification and labeling of on-platform AI content, providing users with a clear basis for informed decision-making:

# Environmental, Social and Governance Report

## Multimodal Large Model Detection

Leveraging accumulated multimodal identification capabilities (text, images, videos, audio, etc.) from risk control and governance, we proactively identify unlabeled AI-generated content as required and conduct preliminary assessments of its potential risks.



## AI Content Generation Traceability

By parsing metadata at the content production end, the system automatically identifies implicit signatures or explicit labels of AI generation, enabling accurate classification and traceability of AI content.



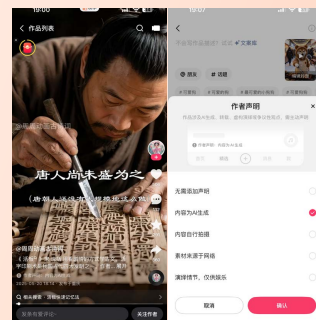
## Multi-level Manual Review

For AI-generated content flagged as suspicious or high-risk by our models, we have deployed a multi-level manual review process. This ensures that AI content involving factual statements, social value orientation and other matters undergoes professional judgment and verification during tiered distribution.



## Guiding Creators to Make Voluntary Declarations

Through product prompts and rule explanations, creators are encouraged to proactively add labels when publishing AI-generated content, fostering the development of a responsible content creation ecosystem.



# Environmental, Social and Governance Report

## Live Streaming Governance

Kuaishou strictly complies with laws and regulations including the *Cybersecurity Law of the People's Republic of China*, the *Provisions on the Administration of Internet Live-Streaming Services*, and the *Provisions on the Governance of the Online Information Content Ecosystem*. To maintain a positive and healthy live streaming environment, we have formulated platform rules such as the *Live Streaming Management Specifications* and the *Live Streaming Cover Specifications* and categorized violations into bottom-line, severe, moderate and general violations. Tiered penalties are imposed based on the severity of the misconduct.

To target organized illegal and underground syndicates, the platform has deployed monitoring models to detect abnormal behaviors and negative feedback signals. Clues involving suspected illegal activities are promptly escalated to public security authorities. Furthermore, by integrating intelligent identification with manual review, we provide proactive prompts to users for scripted and dramatized content, reducing the risk of user deception and fully fulfilling the platform's governance responsibilities.

- **User Co-governance System:** Building on the platform's proactive management, we advocate user participation in community governance. By integrating user feedback, we significantly enhance the efficiency of identifying and addressing policy-violating content.
- **Tiered Streamer Management:**
  - **High-impact Streamers:** Launched the "Pre-broadcast Review" system to screen content prior to streaming, reducing violations at the source.
  - **Talent Agency-affiliated Streamers:** Strengthened enforcement strategies and crackdowns on repeat offenders, and introduced a new "Talent Agency Fine" mechanism. For talent agencies with inadequate supervision and frequent violations, the platform implements a series of punitive measures, focusing on targeted governance of key issues such as fraudulent inducement, effectively reducing user financial losses and negative complaints.

We will continue to strengthen governance over pornographic and vulgar content, misconduct, and false information, with a focus on introducing large model-based review to improve the recall rate of high-risk content and safeguard user experience.

# Environmental, Social and Governance Report

## Content Review Training

We are committed to strengthening content review training. By establishing a professional review team and an expert-level knowledge base, we have significantly improved employees' accuracy and proficiency in review mechanisms. We adopt systematic, scenario-based and intelligent specialized training, providing customized courses for reviewers, quality inspectors and managers to deepen review capabilities in high-risk areas. In 2025, over 6,000 personnel participated in these initiatives, with more than 20,000 specialized training sessions conducted, comprehensively safeguarding the content security line.

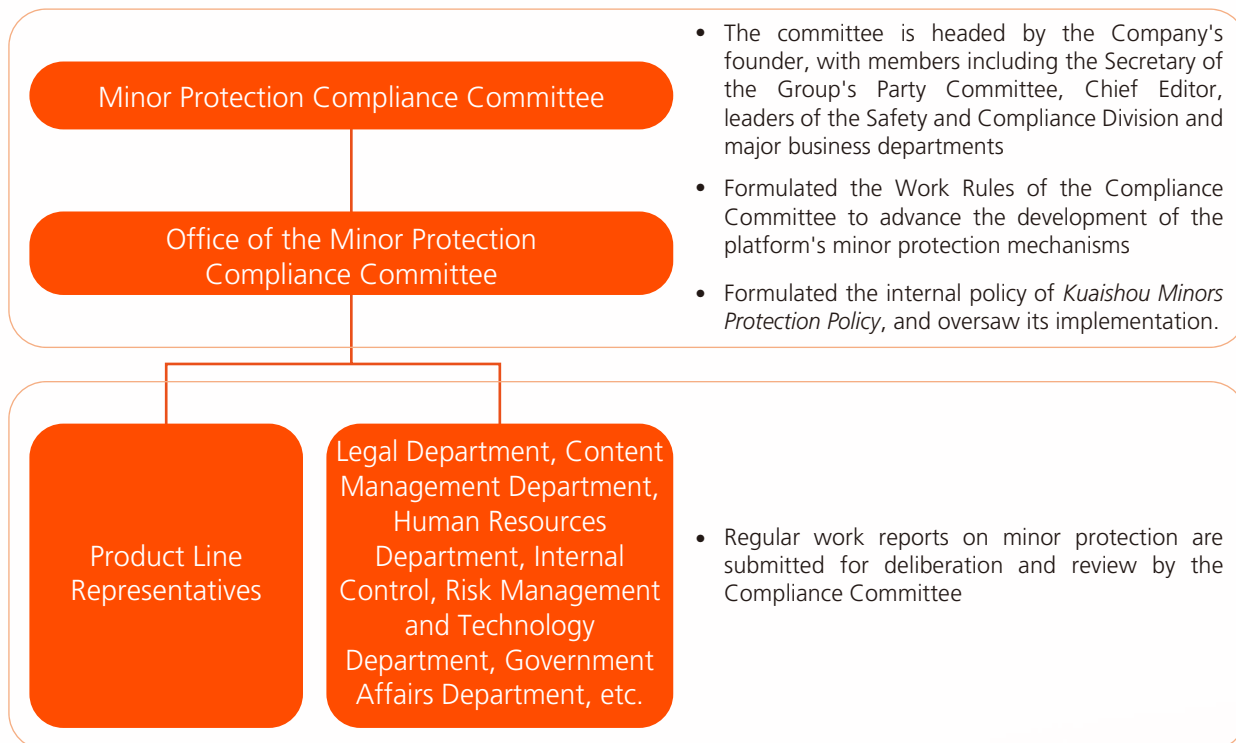
Trainees	Training Objectives and Agendas
Reviewers	<ul style="list-style-type: none"> <li>• Conduct centralized and intelligent learning of security-related background knowledge to improve the professionalism of the industry;</li> <li>• A total of 18 courses were offered, including 12 compulsory courses and 6 elective courses.</li> </ul>
Review Quality Inspectors	<ul style="list-style-type: none"> <li>• Enhance the quality inspection staff's understanding of risk issues and auditing requirements, and equip the quality inspection staff with the ability to assess the quality of audits and identify new types of risks on the platform;</li> <li>• A total of 10 courses were offered, including 5 professional skills courses, 4 public courses and 1 business learning course.</li> </ul>
Review Management	<ul style="list-style-type: none"> <li>• Enhance review managers' understanding of the background behind control requirements, equipping them with the ability to conduct on-site risk judgment and response, as well as provide skill coaching to review staff;</li> <li>• A total of 3 major modules covering 9 types of learning content were offered.</li> </ul>
All Employees (including full-time and part-time employees, new employees, dispatched labor and interns)	<ul style="list-style-type: none"> <li>• Intensified learning targeted at safety risks, covering pre-emptive training on background knowledge and key control points, is provided to enhance the precision of risk management and control;</li> <li>• Relevant safety lectures were regularly held within the general training course system.</li> </ul>

## 3.6.2 Minor Protection

### Minor Protection Institutional Framework

Kuaishou has always attached great importance to the protection of minors' rights and interests, strictly complies with laws and regulations such as the *Law of the People's Republic of China on the Protection of Minors* and the *Regulations on Cyber Protection of Minors*, and continuously strengthens regulatory measures. We have established a Minor Protection Compliance Committee, adhere to the principle of "acting in the best interests of minors", support minors in using products in a scientific, safe and rational manner, and are committed to fostering a healthy online environment.

# Environmental, Social and Governance Report



## Minor Mode

By releasing the *2025 Kuaishou Minor Protection Report*, we have clarified a series of safeguarding measures, aiming to foster a healthy online environment for minors. The platform has launched a Minor Mode featuring "One-tap Activation," and enhanced both text and voice search functionalities to build a more comprehensive knowledge base. These enhancements empower minors with more opportunities to proactively explore knowledge.

### Minor Mode Features:

- **Permission Restrictions:** Live streaming, browsing local pages, gifting, recharging, and cash withdrawals are disabled.
- **Password Protection:** A dedicated passcode is required to activate or deactivate the mode.
- **Screen Time Management:** A pop-up alert appears, followed by an automatic logout, after 40 minutes of cumulative daily usage.
- **Anti-Addiction Curfew:** Kuaishou is inaccessible between 22:00 and 06:00 daily.
- **Cross-Device Coordination:** Usage duration is governed by the mobile operating system, with differentiated management based on age groups.
- **Accessible Exploration:** Features a voice search button, supporting direct voice input for queries.

## Environmental, Social and Governance Report

In terms of content review, the number of manual review rules for Minor Mode has been increased to over 120, with supplementary detailed rules specifically added for current hot topics, minor values, and other aspects. By increasing the frequency and intensity of manual inspections, we ensure the platform maintains a correct content orientation and fosters a clean and healthy online space for minors. In terms of intelligent review, we utilize large models to assist in training review models, which has significantly enhanced the accuracy of content identification and disposal.

In terms of content distribution, we have optimized a dedicated algorithm for minor users, aiming to curate a content pool that is engaging, practical, personalized, and timely. The platform adopts an age-segmented recommendation strategy, combining a recommendation mechanism of “interest-based recommendations + multi-tiered optimization + temporal weighting” to tailor visual presentations for minors. Furthermore, dedicated operations teams continuously refine this content pool by organizing special campaigns, providing traffic support, and implementing various incentive measures to encourage creators to produce high-quality, enriching content that promotes education and positive values, thereby guaranteeing minors a safe and healthy environment for knowledge acquisition.

### *Protect the Health and Safety of Minors*

Kuaishou places a high priority on the mental health of its users, including minors. Led by our User Experience Department, we have established a Suicide Intervention and Social Support Team, which oversees the overall strategies and safeguards for protecting the health and safety of users. Corresponding responsibilities have been delegated to our algorithm, product, content moderation and other departments, with cross-departmental collaboration ensuring a comprehensive, multi-faceted protection of minors’ health and safety.

We leverage large model technology to continuously upgrade our suicide intervention early warning system, enabling the automatic identification and precise localization of high-risk information during live streams. Through the coordination between the system’s early warning capabilities and our platform’s support team, we can intervene in a timely manner and provide necessary assistance, safeguarding lives with the power of technology.

Leveraging large model technology to automatically generate risk summaries and key information chains, we have boosted risk assessment efficiency of related warnings by over 50% and cut verification time down to the minute level, achieving “timely intervention on risk signals and minute-level response for coordinated rescue efforts”. Through sustained investment, Kuaishou has built a complete early warning process encompassing AI technical identification, public feedback, and comprehensive evaluation of content and comments, providing 24/7 round-the-clock online intervention to make every effort to save users with suicidal thoughts or behaviors.

# Environmental, Social and Governance Report

## Helping Enhance Network Literacy for Minors

Kuaishou is committed to enhancing minors' network literacy and safety awareness. In collaboration with the Central Committee of the Communist Youth League, Kuaishou released the *Guarding Youth in the Digital Age: A Parent's Guide*, which provided actionable family parenting strategies to address network risks facing minors, such as overreliance on AI, cyberbullying and "cyber sexual harassment".

In addition, Kuaishou also collaborated closely with the Central Committee of the Communist Youth League to release the *Guide to Healthy Internet Use for Youth*, building an integrated literacy system of "Prevention-Intervention-Enhancement" that teaches minors to protect their privacy, identify misinformation and validate information accuracy, and cultivate a mindset of "critical evaluation" to avoid being manipulated by algorithms. In September of 2025, there was a public welfare campaign for healthy internet use among youths, guided by the Publicity Department of the Central Committee of the Communist Youth League, hosted by multiple provincial committees under the Communist Youth League, and jointly organized with Kuaishou as a strategic partner. Judges, prosecutors, police officers, experts in the fields of family education, cybersecurity and AI, as well as intangible cultural heritage creators on the platform, were invited to visit schools and communities across ten cities in 6 provinces. They carried out cybersecurity educational activities to provide comprehensive guidance on safe and healthy internet use for minors and to help enhance their network literacy.



### 3.6.3 E-Commerce and Advertising Governance

Kuaishou has consistently fulfilled its primary responsibilities as a platform and strictly complied with laws and regulations including the *Consumers' Rights Protection Law*, the *E-Commerce Law* and the *Product Quality Law*. At the contractual level, in response to business development and the protection of consumer rights and interests, we made more than 20 revisions to the *Kuaishou Shop Merchant Service Agreement* in 2025, and promptly optimized relevant contract terms, including the *Kuaishou Store Merchant Privacy Policy*, *Kuaishou Store Privacy Policy*, *Kuaishou Quick Distribution Promotion and Marketing Agreement* and *Kuaishou Import E-commerce Platform Store Service Agreement*. We also issued specific platform implementation rules in accordance with the latest version of the *Anti-Unfair Competition Law* to ensure full alignment with the updated legal requirements. By clarifying compliance requirements for the entire e-commerce workflow, Kuaishou has continuously strengthened its compliance management and solidified the cornerstone of integrity for the platform.

# Environmental, Social and Governance Report

## E-Commerce Merchant Onboarding Management

<b>Governance Mechanism</b>	<b>E-commerce Access:</b> <ul style="list-style-type: none"><li>• Provide refined, customized management based on the types of shops and businesses under the <i>Guidance of the Kuaishou Merchant Development Rules for E-commerce Stores</i>.</li></ul> <b>Qualification Assessment:</b> <ul style="list-style-type: none"><li>• Facilitate the automated review process by incorporating multi-dimensional criteria such as subject, industry, brand, and product qualifications under the <i>Guidance of the Kuaishou Qualification Kuaishou Access Qualification Standards for E-commerce Enterprise Stores</i>;</li><li>• For merchants in regulated industries (e.g., in the “Three Products &amp; One Medical Device” category), valid industry operating licenses are required for access, and a security deposit shall be collected.</li></ul>
<b>Key Initiatives for 2025</b>	<ul style="list-style-type: none"><li>• Leveraged AI-powered verification to upgrade merchant onboarding review capabilities and reduce onboarding review latencies. The store opening review delays decreased by 86% year-on-year;</li><li>• Upgraded the “Zero-Cost Store Launch” policy to help small and medium-sized merchants quickly set up and operate stores with lower costs. Eligible store types and product categories are entitled to a security deposit exemption for onboarding, enabling more merchants to generate revenue through Kuaishou’s zero-cost trial operation first, with the security deposit to be paid subsequently.</li></ul>

### 2025 Kuaishou Merchant Empowerment Initiatives

We optimized the “Dual-Incentive Mechanism” to elevate product quality and positive review rates, guided livestream hosts to curate premium products rigorously, and empowered merchants comprehensively.

- **Livestream Commerce Reputation Score:** We optimized the e-commerce governance and rating mechanisms, eliminated the traditional mandatory ratio, and instead implemented a clearly fixed threshold framework. This initiative has effectively curbed inefficient competition and significantly enhanced the transparency and predictability of creators’ product selection processes.
- **Store Score:** We eliminated hard-to-improve metrics to lower the difficulty of score improvement, simplified assessments, and scrapped the ranking logic for overall scores and dimensional scores. Meanwhile, we leveraged AI diagnostic tools to help merchants accurately identify the root causes of underperformance and provide targeted guidance.

Following the transformation, merchant support requests dropped by 63% year-over-year, significantly boosting operational efficiency.

# Environmental, Social and Governance Report

## Product Governance

<b>Governance Mechanism</b>	We leverage AI identification and authoritative datasets to strengthen the interception of prohibited/restricted products and the governance of non-compliant products. We also optimize processes through automated random inspections to comprehensively enhance product compliance and governance effectiveness.
<b>Key Initiatives for 2025</b>	<ul style="list-style-type: none"><li>• <b>Governance of Prohibited Products</b><ul style="list-style-type: none"><li>o Intercepted high-frequency prohibited/restricted product violations via diagnostic tools to reduce governance costs, enhance the merchant product publishing experience, and alleviate the pressure of post-hoc disposal and governance;</li><li>o Expanded the scope of AI identification capabilities and improve the ability to detect high-risk products;</li><li>o Integrated risk identification capabilities for product promotion in creators' livestream rooms and short videos. Combined with a separation of judgment and penalty tool, we eliminated manual penalty process to boost governance efficiency for high-risk livestream commerce content.</li></ul></li><li>• <b>Governance of Non-Compliant Publications</b><ul style="list-style-type: none"><li>o Connected to the database of the National Library of China to establish a standardized book product database, with product names and titles displayed directly to eliminate product inconsistency issues. Conducted retrospective reviews on non-compliant products;</li></ul></li><li>• <b>Optimization of Product Random Inspection Mechanism</b><ul style="list-style-type: none"><li>o Optimized random inspection strategies to enhance the system capabilities of inspection strategies and inspection platforms. This enabled automated detection and identification of problematic products across covered categories and automatic system task assignment, improving operational efficiency and the ability to detect problematic products, while reducing the risks of human intervention and labor costs.</li></ul></li></ul>

# Environmental, Social and Governance Report

## Content Governance

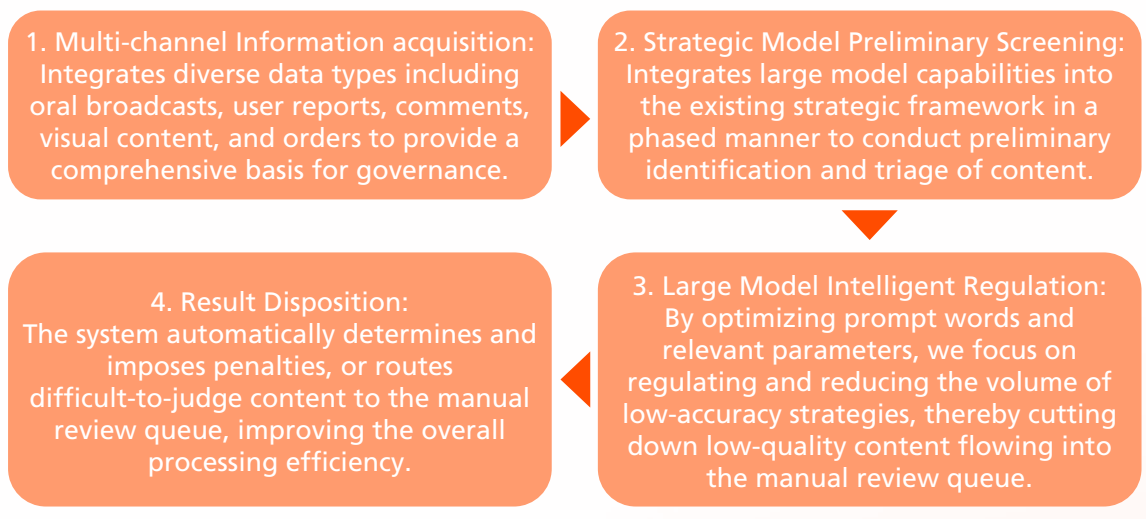
<b>Governance Mechanism</b>	We regulate and govern non-compliant practices including fraudulent marketing, false advertising, and the use of false promises to drive traffic, and strictly control e-commerce marketing risks.
<b>Key Initiatives for 2025</b>	<ul style="list-style-type: none"><li>• <b>Special Governance on False Advertising</b><ul style="list-style-type: none"><li>○ Released interpretations of false advertising rules and educational videos through multiple channels including the Kuaishou E-commerce Rule Center Official Account, Kuaishou Merchant Community Official Account and Merchant Community to help merchants understand the rules, operate in compliance, and foster a standardized content-driven shopping ecosystem;</li><li>○ For merchants with low violation frequency, non-malicious violations, we offered rectification opportunities and guide them to replace penalties with rule learning through examinations and actual compliant operations, helping them understand the rules and reduce violation frequencies.</li></ul></li><li>• <b>Special Governance on Counterfeit Goods</b><ul style="list-style-type: none"><li>○ Strengthened brand qualification control on the platform, conducted more stringent reviews of merchants' brand qualifications, and continued to advance brand qualification verification;</li><li>○ Improved the platform's counterfeit goods handling rules, refined disposal scenarios and penalty intensities, and continued to publish public notices on merchants subject to counterfeit goods disposal.</li></ul></li></ul>

# Environmental, Social and Governance Report

## AI-Enabled Governance of E-Commerce Content

Kuaishou leverages its large model for intelligent governance links to upgrade the full-scenario content governance system. This model enables precise regulation of typical non-compliant practices such as false advertising and non-compliant marketing, effectively optimizing the accuracy of the review link while maintaining a high recall rate. As of December 31, 2025, this intelligent governance link has reduced the volume of manual reviews by 20% cumulatively, significantly enhancing the automation and intelligence of the platform’s governance capabilities.

Content Governance Process of the Large Model:



### Merchandise After-Sales Service

<b>Governance Mechanism</b>	<ul style="list-style-type: none"> <li>We have formulated the <i>Rules for the Administration of After-Sales Services of Kuaishou Shop</i>, which clearly standardizes the refund process, service validity period and dispute resolution mechanism. Detailed guidelines have been established for diverse scenarios including product returns and exchanges, repairs, instant refunds for undelivered orders and flash returns, with a commitment to providing high-quality after-sales protection and ensuring comprehensive protection of users’ rights and interests.</li> </ul>
<b>Key Initiatives for 2025</b>	<ul style="list-style-type: none"> <li>We launched the no product return mechanism for “Excellent After-Sales Service”. For quality issue scenarios, we shift from platform intervention to guiding merchants to proactively provide after-sales service; meanwhile, excellent service merchants are exempted from part of the product return assessment.</li> <li>We have launched a new automated order retention tool, which integrates three core advantages: efficient user reach, precise identification and profit protection. Leveraging fully automated processes and risk filtering technology, it optimizes the user experience while significantly reducing the refund rate and expanding merchants’ profit margins.</li> </ul>

# Environmental, Social and Governance Report

## *E-commerce Exit*

<b>Governance Mechanism</b>	<ul style="list-style-type: none"><li>Targeting the affiliated entities of merchants deemed substandard by Kuaishou, we have established an access interception mechanism for affiliated entities of substandard merchants to prevent such entities from re-entering the platform by rebranding themselves under new identities, which would otherwise compromise consumers' shopping experience.</li></ul>
<b>Key Initiatives for 2025</b>	<ul style="list-style-type: none"><li>We have removed merchants who seriously breached their performance obligations.</li></ul>

## *Merchant Support System*

For merchants who have violated the rules due to occasional mistakes, we provide a designated grace period for self-inspection and rectification of violations: penalties corresponding to the violations may be mitigated or exempted upon the completion of rectification tasks within the specified time, so as to minimize the impact on their normal business operations. In view of the compliance pain points in the product release link, we launched AI automatic repair and pre-interception reminder functions, cumulatively preventing over 2.67 million products from being removed and recovering more than RMB38 million in GMV for merchants.

Furthermore, we actively strengthen merchants' compliance awareness through educational initiatives and training programs. In 2025, we strengthened the operation of the official "Kuaishou E-commerce Rules Center" account, releasing 27 issues of content across three columns: "Rules Insight Series", "New Rules Bulletin" and "Q&A Session". The content focuses on rule advocacy, education and troubleshooting, and is precisely delivered to merchants with annual penalty records via targeted promotional placements. For key rules, we created "MixCards" for efficient learning and distributed them to relevant merchants, and updated rule explanation videos on the penalty notice page for intuitive understanding by non-compliant merchants.

## *Advertising Content Review Mechanism*

Kuaishou adheres to a responsible marketing philosophy, strictly complying with all applicable national and regional laws and regulations, such as the *E-Commerce Law of the People's Republic of China*, the *Advertising Law of the People's Republic of China* and the *Trademark Law of the People's Republic of China*. We have established internal policies, including the *Kuaishou Commercial Marketing Content Management Policy*, which explicitly prohibits the promotion of certain businesses and activities. In 2025, we have updated our commercial risk control policies a total of 116 times, covering core policies such as the moderation standards for feed stream materials on Magnet Engine, client onboarding review criteria, brand qualification verification standards and commercial live streaming content moderation rules, thus continuously improving our advertising content review mechanism.

# Environmental, Social and Governance Report



Prior to Delivery

## Strictly Uphold the Daily Prescribed Bottom Line for Access

Prior to advertising delivery, we have strictly defined the scope of businesses prohibited from promotion. For bottom-line safety-related content, we resolutely prohibit related materials. For content outside the bottom-line safety scope, we exercise stringent control over the false advertising, thus ensuring a positive value alignment of advertising content from the source.



During Delivery

## Multi-dimensional Verification and Experience Optimization

Kuaishou conducts precision verification during advertising delivery. We first complete full-scale preliminary reviews with large models, then conduct multiple rounds of recall and rechecks via advanced models and manual sampling to filter non-compliant content in depth. We have also established a key protection mechanism for minors to screen out inappropriate advertising content. We continuously optimize the advertising user experience by iterating platform governance rules and upgrading identification and monitoring models, and carry out refined governance of false advertising and objectionable content. This has led to a 2.5% drop in negative feedback and a 12% effective reduction in quality-related return rates, greatly improving users' in-platform transaction experience.



After Delivery

## Graded Disposal and Closed-Loop Management

After advertising delivery, Kuaishou has established a robust inspection mechanism that deeply integrates manual review with an AI inspection system. The AI system can rapidly screen for routine risks, identify complex scenarios and effectively crack down on evolving fraud chains; manual review, by leveraging its inherent strengths, conducts more refined judgments for sophisticated and multi-dimensional scenarios, ensuring comprehensive governance with no blind spots.

We have built a commercial intelligent risk control system based on large AI models, achieving full coverage of all types of risk scenarios.

**Under human-AI collaboration, Kuaishou's inspection system:**

**Daily Removal of Harmful Information**

*Over 60 million items*

**Comprehensive Interception Capability**

*Increased by 30%*

For non-compliant advertisers, the system imposes graded penalties based on their violation severity and material non-compliance density. Measures include, but not limited to, warnings, content blocking, margin deduction and even permanent removal from the platform. Through a full-link monitoring and severe punishment mechanism, we continuously purify the advertising ecosystem and safeguard a high-quality business environment for the platform.

# Environmental, Social and Governance Report

## Kuaishou Magnetic Smart Investment

“Magnetic Smart Investment” is a professional advertising platform launched by Kuaishou, deeply integrating multi-scenario advertising capabilities such as information feeds, search, splash ads, and livestreaming, and leveraging AI algorithms to achieve automated campaign optimization. The platform provides multi-touchpoint delivery tools to help advertisers achieve efficient conversions, including:

Automated Rule Tool: Allows users to quickly adjust ad configurations through simple settings

Ad Diagnosis Tool: Assists in pinpointing delivery issues throughout the ad lifecycle and optimizing performance

One-Click Cleanup: Enables instant pausing or deletion of low-quality ads, effectively saving budgets and improving ad quality

These tools not only assist us in more effectively monitoring content during in-delivery and postdelivery inspections, but also empower advertisers to easily manage and rectify non-compliant ads, enhancing compliance efficiency at the source and jointly maintaining a healthy business ecosystem.



### Advertising Support System

Kuaishou launched “Magnetic Academy” as a one-stop platform for marketing sharing, learning exchange, and training certification. Through the official platform “Magnetic Learning,” it provides multi-faceted empowerment services to accelerate knowledge dissemination and create marketing value. The platform’s core functions include: marketing knowledge sharing, helping users master best practices; a learning exchange platform for users to share experiences and strategies; and professional training certification to enhance practitioners’ professional skills. The Kuaishou Marketing Certification has formed a complete system encompassing capability assessment, course learning, exam certification, and professional enhancement. This not only helps advertisers advance their careers but also provides enterprises with a comprehensive solution for nurturing professional marketing talent.

### 3.6.4 Customer Service Assurance

Kuaishou adheres to a service-oriented philosophy of “transparent communication and direct resolution”, systematically improving the auditory experience of customer service interactions and the perceived effectiveness of solutions. While optimizing user experience, we solidify the overall service operations foundation. We established and optimized 13 internal systems, including the *User Service Center Hotline Transfer Handling Process*, ensuring service standards keep pace with the times. Specifically, we added the “Employee Dialect Support Process”, leveraging voice recognition models to clarify collaboration standards in cases of dialect communication barriers and avoid misunderstandings. In 2025, 18 Chinese dialects are supported, ensuring timely and effective resolution of user issues.

## Environmental, Social and Governance Report

We transformed self-service from a static model to a personalized approach based on user profiles and multi-interface data, combined with AI to predict issues, aiming to resolve inquiries directly on the customer service homepage. When users click “Contact Customer Service,” the system synchronizes acquired information to the intelligent customer service, directly triggering relevant processes to avoid repetitive descriptions and cumbersome selections. This effectively reduces user time consumption and significantly improves service efficiency.

We employ the “Sentinel” monitoring system to dynamically detect industry issues affecting user experience and actively provide feedback to prevent governance blind spots. In 2025, we focused on 2 major updates: expanding the monitoring scope to achieve more comprehensive content coverage and refining high-value issues to establish a meaningful feedback mechanism. By concentrating on high-value issue feedback, we further optimize service assurance and quality control.

### *Intelligent Customer Service Scenario Optimization*

In 2025, we actively leveraged cutting-edge large model technologies to deeply empower user experience optimization and operational efficiency improvement. For identifying and pinpointing product function anomalies in user feedback, we introduced a large model-assisted mining mechanism, significantly compressing issue identification time and achieving “minute-level” priority responses, markedly accelerating issue discovery and feedback in a closed-loop. Additionally, large models can break through traditional mining blind spots, independently identifying potential issues and supplementing manual screening deficiencies, enhancing identification comprehensiveness. We also rigorously reviewed intelligent customer service response scripts to eliminate biases, strictly prohibiting inappropriate evaluations of users’ professions or identities, ensuring professional and fair service.

### *Customer Service Quality Control*

We established a rigorous performance evaluation system to ensure service quality, with metrics covering key efficiency data such as call pickup rates and issue resolution duration. Through dual internal and external performance reviews, combining internal audit scoring and external customer satisfaction evaluations, we conducted comprehensive assessments of employee performance. Customer service personnel underwent monthly comprehensive evaluations, including objective data on efficiency and quality, as well as quality inspections by managers based on call recordings or text service records, ensuring meticulous attention to service details.

In talent development, we implement specialized training plans for different target groups, covering new employees, in-service staff, high-potential employees, and frontline managers. Through diverse and targeted course content, we comprehensively enhance the team’s professional competence and conduct in customer service, ensuring service quality at the source and providing users with more efficient and professional support experiences.

# Environmental, Social and Governance Report

Trainees	Training Category	Training Frequency	Average Training Duration
New Employees	New employee orientation <ul style="list-style-type: none"> <li>Understanding business knowledge content of the Company</li> </ul>	1.3 times per month	16.8 days in-person training
Existing Employees (including full-time and part-time employees, new employees and dispatched labor)	Business improvement training <ul style="list-style-type: none"> <li>Skill backup/position transfer training based on business needs</li> <li>Major event training</li> </ul>	1.5 times per month	3 hours per month on average
Employees with High Potential/Frontline Manager	Management promotion training <ul style="list-style-type: none"> <li>Developing highly targeted training systems</li> </ul>	6.2 times per month	11.5 hours per month on average
	Distilling best practices <ul style="list-style-type: none"> <li>Practical application of large models</li> <li>Management experience sharing</li> </ul>	1.3 times per month	1.3 hours per month on average

## Satisfaction Surveys

We conduct annual customer satisfaction surveys and meticulously review the results to enhance service quality. In 2025, to avoid disturbing users, we replaced sampling phone callbacks with instant post-service surveys to obtain more timely and comprehensive feedback. Annual surveys covered over 7.2 million users, with manual satisfaction via hotline channels reaching 94.5%.

## 3.7 Public Welfare and Charity Initiatives

Kuaishou actively fulfills social responsibility and deepens its engagement in public welfare. We design diverse charitable projects to demonstrate care through action and organize employees to support disadvantaged groups in communities, widely promoting public welfare concepts and striving for synergistic development with society.

### Public Welfare Promotion

Kuaishou leverages its platform influence to promote public welfare awareness. In 2025, in collaboration with mainstream media such as CCTV.com and People's Daily, we deeply uncovered grassroots acts of kindness within key projects, including "Future Enlightenment Classroom, Happy Lecture Hall and ICH Learning Academy" in rural to conveying positive values. Activities covered diverse topics such as education, culture, women's and children's protection, effectively connecting with societal empathy while simultaneously enhancing brand trust and mainstream influence.

# Environmental, Social and Governance Report

## 2025 Kuaishou Public Welfare Actions and Promotion Achievements

<p>approximately <b>RMB75.29 million</b></p> <p><b>Total donation of public welfare projects</b></p>	<p><b>28,648 hours</b></p> <p><b>Total time invested in public welfare projects</b></p>	<p>Impressions <b>500 million+</b> Interactions <b>2 million+</b></p> <p><b>Annual cumulative dissemination of public welfare promotion content</b></p>
<p>Total videos <b>11+ million</b> Cumulative views <b>13.4+ billion</b></p> <p><b>Environmental-related keywords under the topics with # published on the Kuaishou</b></p>		<p>Total videos <b>440,000+</b> Cumulative views <b>800+ million</b></p> <p><b>Gender equity-related keywords under the topics with # published on the Kuaishou</b></p>

Public Welfare Project	External Recognition
Future Enlightenment Classroom	2025 CCF China Computer Federation Technology Public Welfare Case 2025 “Golden Key — China Actions for SDGs” Outstanding Solution
ICH Learning Academy	2025 Beijing Online Audiovisual Social Responsibility Outstanding Case 2025 People’s Corporate Social Responsibility Action Case “Convergence of Light” China Philanthropist Outstanding Case Award
Happy Lecture Hall	2025 “Silver Economy” Annual Influential Brand
Kuaishou Public Welfare Promotional Video “Starting from One Screen”	Selected for the “Digital Love Without Borders” Digital Public Welfare Story Collection and Broadcasting Campaign

### Rural Revitalization

Against the backdrop of the country’s continuous efforts to advance rural revitalization, promote coordinated regional development, and enhance the digital literacy and skills of the entire population, digital technology is becoming a vital force in driving industrial development and boosting employment and income. Kuaishou Public Welfare actively responds to national calls, launching the “Happy Lecture Hall” project in 2023, dedicated to enhancing nationwide digital literacy and skills. Leveraging Kuaishou’s platform technological and resource advantages, the project provides professional training centered on “short video + livestreaming” for rural streamers, new farmers, silver-age groups, and grassroots workers. By empowering trainees to master digital tools and convert traffic into actual income, it effectively drives rural industry efficiency and farmer income growth. As of December 31, 2025, the project has reached 50 counties and cities nationwide, established shared livestreaming rooms in 8 provinces including Shandong and Guizhou, and cumulatively trained nearly 2 million people online and offline, injecting strong digital vitality into comprehensive rural revitalization.

# Environmental, Social and Governance Report



## Heritage of Intangible Cultural Heritage

Protecting intangible cultural heritage is not only key to continuing the nation’s historical lineage but also vital to showcasing cultural deposits and building a culturally strong nation. The “ICH Learning Academy” project initiated by the Kuaishou Public Welfare Foundation is dedicated to supporting inheritors in remote areas facing livelihood difficulties. In the digital era, new media and AI have become core forces driving the widespread dissemination and sustainable preservation of traditional craftsmanship.

The project assists inheritors in gaining attention through diverse channels such as organizing ICH activities in schools and communities and conducting copyright collaborations. Simultaneously, it provides training for inheritors on teaching techniques, short video production, and account operation, enabling them to skillfully use digital tools to showcase unique value of ICH, comprehensively enhancing their overall capabilities, and promoting the modernization and sustainable development of craftsmanship. Leveraging platform advantages, the visibility and influence of ICH have significantly increased, infusing new vitality into craftsmanship preservation. In 2025, the project has effectively supported over 100 inheritors, with teaching coverage extending to 200 rural schools and communities, it is expected to benefit over 60,000 people.



# Environmental, Social and Governance Report

## *AI-empowered Education*

AI technology is an inevitable trend leading the future. As a leading content community and social platform in China, guiding the next generation to master technological tools and cultivate their ability to use technology correctly and ethically is our social responsibility. To this end, the Kuaishou Public Welfare Foundation launched the “Future Enlightenment Classroom” project, committed to empowering education with technology. Through multiple approaches such as donating digital classrooms, developing cutting-edge courses, conducting teacher training, and organizing technology study tours, we open the door to the world of technology for minors in remote areas, helping them broaden their horizons, unleash potential, and actively embrace the digital era.

As of December 31, 2025, the project has built 40 digital classrooms, organized 6 technology study summer camps, and over 40 “Technology Festival” interest activities. Additionally, the project has served over 14,000 rural students, cumulatively benefiting 500,000 people, covering 8 provinces and regions. We continue to deepen digital education efforts, ensuring the dividends of technological development can cross regions, illuminating the future for more children.



# Environmental, Social and Governance Report

## *Minor Protection Initiative*

Since 2023, the Kuaishou Public Welfare Foundation, in collaboration with the China Youth Development Foundation, Beijing Chaoyue Social Work Service Center, Capital Normal University, and other partners, launched the “Starry Plan”. This initiative focuses on vulnerable minors, including those who have suffered abuse, lack proper guardianship, or exhibit behavioral deviations. The program advances professional development, service delivery, and systemic capacity-building to promote specialized, standardized, and systematic minor protection services.

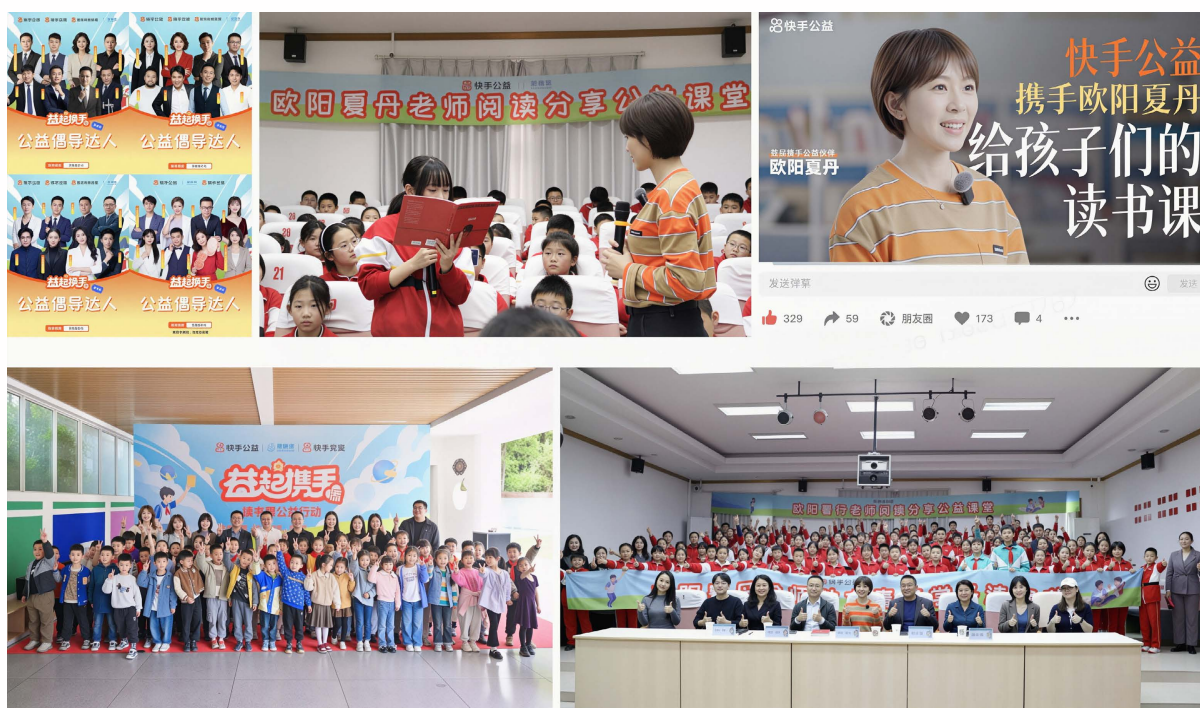
In 2025, the project conducted a series of online and offline training programs for social workers and volunteers nationwide in the field of minor protection. The online sessions reached 31 provinces, autonomous regions, and municipalities directly under the central government, serving 3,000 practitioners and volunteers with a cumulative total of 20,200 training attendances. By December 2025, the Starry Plan had delivered 45 training sessions across 32 provinces, autonomous regions, and municipalities directly under the central government, covering 67,588 participants and benefiting over 60,000 minors. Additionally, the project supported the renovation and construction of the Beijing Juvenile Observation and Protection Base, continuously improving the service environment for minors in difficult circumstances.



# Environmental, Social and Governance Report

## Rural Education Charity Program

During the 2025 World Book Day, Kuaishou Public Welfare, in collaboration with One Foundation, launched the “Join Hands for Good” reading season public welfare campaign, donating tens of thousands of high-quality books to 15 rural schools in 7 provinces and cities including Beijing, Sichuan, and Guizhou, and simultaneously conducting reading-sharing sessions. Through diverse formats such as “public welfare classes, influencer co-reading, thematic videos,” the campaign helps rural children broaden their horizons and build confidence. The activity sparked widespread social resonance, with related topics achieving over 260 million views across platforms and attracting participation from 34 celebrities and knowledge influencers. This initiative was reported by multiple media outlets including People’s Daily Online and China National Radio Online, successfully creating a highlight case of “reading x public welfare” linkage with rural education, reflecting Kuaishou’s responsibility in leveraging platform advantages to empower rural education revitalization.



# Environmental, Social and Governance Report

## Volunteer Public Welfare Actions

In November 2025, the Kuaishou Public Welfare Foundation, together with the Kuaishou Party Committee, Kuaishou Culture, and employee volunteers, conducted an “Image Co-creation Experience Class” in Fangshan County, Shanxi. This activity originated from the image collection campaign “A Letter from ‘Wasai’” launched on China Charity Day for that year. From over 200 employee submissions, 40 works were selected and compiled into the picture book *The World Beyond the Mountains*, gifted to students in Shanxi and Wasai town, Qinghai.

During the activity, 10 employee volunteers personally traveled to Shanxi, guiding rural children to explore broad horizons through image story sharing and KLING AI interactive experiences. This action not only demonstrated the public welfare enthusiasm of Kuaishou employees but also combined corporate technological strengths with the power of imagery, injecting warmth and creativity into rural education and practicing corporate social responsibility.



# Environmental, Social and Governance Report

## 4. EMPLOYEES' DEVELOPMENT AND CARE

Kuaishou is committed to fostering synergistic growth between employees and the Company by building a comprehensive employee development system centered around career progression, physical and mental well-being, and diversity and inclusion. The Group steadfastly upholds the protection of employees' equal rights and interests, creating a fair and equitable workplace environment. We have established a diversified training system to facilitate employee growth and broaden career development paths. We place a high priority on employee health and safety, comprehensively developing secure and comfortable workspaces, with the goal of achieving mutual growth for employees and the enterprise.

### 4.1 Rights and Interests of Employees

Kuaishou regards its employees as the most valuable asset in the Company's development. We are dedicated to respecting and safeguarding the rights and interests of all employees and adhering to responsible labor standards. We actively cultivate a workplace culture characterized by fairness, diversity, and inclusion, establish smooth communication channels, listen to employee needs, treat employees with respect and care, and jointly build a harmonious and equal workplace relationship.

We attach great importance to safeguarding the rights and interests of employees, striving to build a just and supportive working environment. We provide comprehensive social security in accordance with the law, fully respect employees' perspectives and right to freedom of expression, and prioritize employees' right to life and health. Kuaishou maintains zero tolerance for any form of human trafficking, forced labor, child labor, workplace harassment and discrimination, and sets standard daily working hours, fully safeguarding the legitimate rights and interests of every employee.

#### 4.1.1 Rights and Interests of Employees and Labor Practices

Kuaishou complies with and upholds internationally recognized labor standards in all its global operational locations, strictly prohibiting any form of forced labor and child labor. We not only explicitly prohibit such practices in accordance with the *Provisions on the Prohibition of Child Labor* and relevant conventions of the International Labor Organization (ILO), but also deepen labor rights protection into systematic actions encompassing employment practices, occupational health and safety, and supply chain management. This public commitment is embedded within comprehensive management systems such as the *Kuaishou Employees Handbook and the Outsourcing Personnel Management Regulations*, applicable to all business units, all employees, and outsourced personnel of the Group globally, ensuring comprehensive coverage and consistency.

During the labor contract establishment process, Kuaishou adheres to the principle of equal negotiation, strictly enforces statutory minimum working age requirements to prohibit the employment of underage workers, clearly sets minimum age thresholds for full-time and internship positions, and adopts a zero-tolerance stance towards any form of forced labor.

We advocate for employees to jointly comply with basic codes of conduct, working together to build an equal, healthy, and safe working environment. Should any instance of child labor or forced labor be discovered, Kuaishou will implement complete closed-loop management measures, including joint departmental investigation, corrective and preventive actions, and reporting for disciplinary action, requiring all relevant departments to cooperate actively to thoroughly eliminate practices that violate labor rights.

# Environmental, Social and Governance Report

During the Reporting Period, Kuaishou did not experience any illegal incidents involving child labor or forced labor, and social insurance coverage for full-time employees reached 100%.

## 4.1.2 Fostering Diversity and Inclusion

To achieve the common growth of individuals and the Group, Kuaishou focuses on creating a diverse, inclusive, and mutually respectful working environment. We are committed to upholding the dignity and equal rights of every employee, opposing discrimination and harassment, and establishing clear handling and corrective measures. Our aim is to provide continuous support to each employee, driving the achievement of shared goals for individuals and the enterprise.

### Diversity Policy and Management

Kuaishou consistently upholds the principle of equal employment, placing high importance on the fair treatment of female employees. We have set 6 workforce diversity targets:



1. Regarding diversity of management-level employees, the Company continuously cultivates and builds a pipeline of potential successors, focusing on fairly increasing the proportion of female managers.



2. As of December 31, 2024, female employees accounted for 44.0% of the Group's full-time employees. We will strive to maintain this proportion and aim to achieve gender balance as a long-term goal.



3. The Company will continue to establish or maintain certain workplaces in areas with concentrated minority populations to facilitate the employment of minority employees and is committed to supporting their fair employment within the Company.



4. In future workplace site selection and planning, we consistently consider the accessible environment an important factor. We have already made substantial progress in existing workplaces, continuously creating a friendly and inclusive workspace for employees.



5. The Company consistently upholds fair and just recruitment and promotion policies, is committed to eradicating all forms of discrimination and injustice, and strives to achieve the principle of equal pay for equal work (including the principle of equal pay for male and female employees).

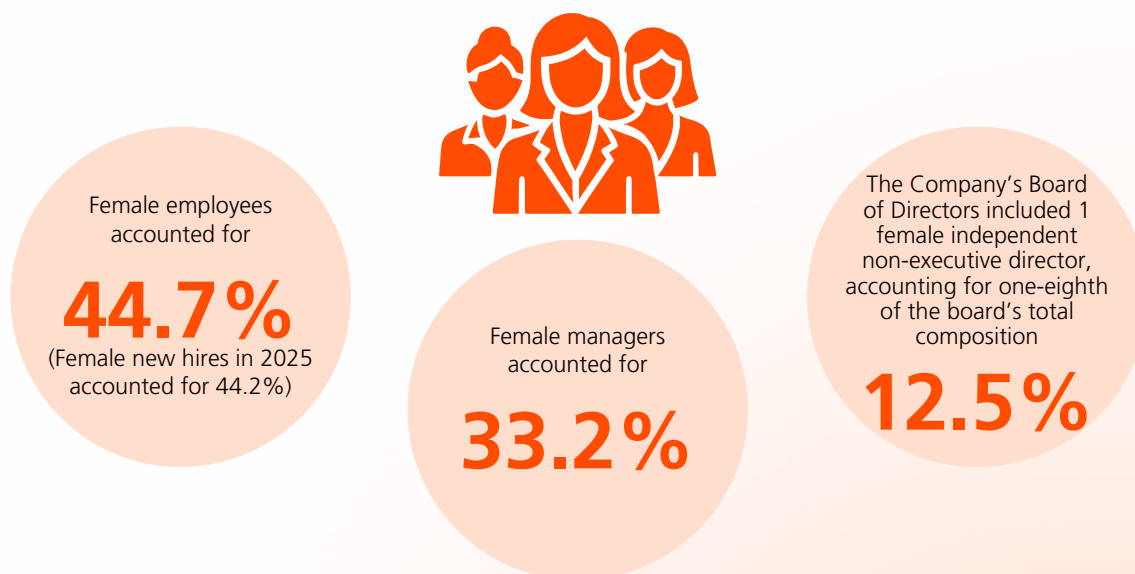


6. The Company implements annual promotion and training for employees on the concepts of Diversity, Equity and Inclusion (DEI).

## Environmental, Social and Governance Report

Kuaishou has systematically integrated the concept of diversity and inclusion into enterprise management and daily operations. Through internal systems such as the *Employee Diversity Policy*, we are dedicated to providing an inclusive and supportive work environment for employees and cultivating a work atmosphere that respects individual differences and values diverse backgrounds, knowledge, and experience. Based on a series of diversity dimensions, including but not limited to employees' gender, gender identity, age, sexual orientation, marital status, family situation, physical or mental disabilities, race, ethnicity, nationality and/or religious beliefs, we commit to providing equal opportunities throughout the entire employment lifecycle of recruitment, training, compensation, and promotion to meet the diverse needs of employees at different career and life stages.

We champion values of diversity, equity, and inclusion. Any inappropriate behavior such as unequal treatment, discrimination, harassment, insult, defamation, dishonesty, or inaction is considered a violation of professional ethics and the Company's cultural values. For such behaviors, we provide feedback channels and ensure strict protection of the informant's information. To uphold this commitment, the Company has explicitly incorporated anti-discrimination and anti-harassment provisions into the *Health Occupational Site Regulation System*, providing clear management regulations prohibiting discrimination, harassment, defamation, and slander, comprehensively safeguarding employees' rights to fair opportunities and personal dignity. We are committed to eliminating such violations in both professional and personal settings.



### Highlights of Kuaishou's Workplace Gender Equity Performance in 2025

# Environmental, Social and Governance Report

At our content review center in Xiangxi, Hunan Province, we actively recruit and develop local ethnic minority employees. This not only injects new vitality into regional economic development by creating more local employment opportunities but also effectively promotes team diversity and inclusivity.



## Highlights of Kuaishou's Workplace Diversity Performance in 2025

### *Diversity and Inclusion Training*

Kuaishou systematically promotes DEI concepts to all employees through regular training sessions. The content covers key topics such as opposing workplace discrimination, harassment, and violence, while also regularly sharing inclusive practices to continuously deepen employees' awareness and understanding of DEI. In 2025, the Company conducted DEI-themed training for all employees, actively advocating for a diverse and inclusive workplace culture. Simultaneously, Kuaishou is dedicated to supporting the career advancement of female employees by offering a wide range of professional skills training programs to help them reach their full potential, and consistently monitoring the proportion of female trainers. Furthermore, during the promotion evaluation process, gender bias is minimized to ensure fairness and equity in assessments to the greatest extent possible.

### *Diversity Support Initiatives*

Kuaishou consistently respects employees' diverse backgrounds and, on this basis, commits to providing equal development opportunities and comprehensive support for all employees. To systematically implement diversity initiatives, we have implemented the following specific care and support programs, covering five areas of recruitment and employment, training and promotion, physical and mental health, care and welfare, workplace environment, communication channels and cultural values maintenance. These initiatives continuously optimize the employee experience and fulfill our commitment to diversity and inclusion.

# Environmental, Social and Governance Report

## Kuaishou's Female Employee Care Initiatives

<b>Training and Promotion</b>	<p>Kuaishou is dedicated to supporting the career advancement of female employees by offering a wide range of professional skills training programs to help them reach their full potential. In 2025, female trainers accounted for 36.2% of all trainers at Kuaishou. During the promotion evaluation process, gender bias is minimized to ensure fairness and equity. In 2025, women represented 33.2% of managerial roles, and 35.5% of newly promoted managers.</p>
<b>Physical and Mental Health</b>	<p>We implement multiple measures to assist female employees in enhancing their personal physical and mental health while pursuing career growth. The Company provides professional fitness facilities and equipment, and complimentary psychological counseling services, helping them approach various challenges in the workplace and daily lives with a healthier and more positive mindset.</p>
<b>Care and Welfare</b>	<p>We emphasize comprehensive care for female employees:</p> <ul style="list-style-type: none"><li>• Establishing nursing rooms to provide convenience for working mothers;</li><li>• In addition to statutory requirements, granting extra maternity bonuses and supplemental medical maternity coverage to female employees who give birth;</li><li>• Providing childcare facilities and corresponding subsidies;</li><li>• Offering one week of paid parental leave, available to both female and male employees, to support parents in sharing family responsibilities and promote work-life balance;</li><li>• Providing annual health check-up services;</li><li>• Organizing themed care activities during Women's Day and thoughtfully preparing celebratory gifts for every female employee, demonstrating our care and support for female employees.</li></ul>
<b>Workplace Environment and Communication Channels</b>	<p>Kuaishou is committed to fostering an equal, inclusive, and healthy workplace environment, ensuring gender equity and delivering an exceptional workplace experience for female employees. We have established multi-dimensional communication channels to actively listen to the voices of female employees and reduce communication barriers.</p>

# Environmental, Social and Governance Report

## International Women’s Day: Let’s “Prosper” Together

To celebrate International Women’s Day, the Kuaishou labor union, under the theme “Let’s ‘Prosper Together,’” collaborated with departments including Administration, Human Resources, and Corporate Social Responsibility and adopted a cross-departmental collaborative model to jointly plan and implement a series of themed care activities. By integrating internal and external resources and coordinating activity planning and execution, 11 themed courses and exchange events were held simultaneously on March 8. This effectively consolidated internal resources, and amplified the reach and employee engagement of the activities, not only conveying holiday blessings and care to employees but also creating a warm and harmonious organizational atmosphere.



# Environmental, Social and Governance Report

## 4.2 Talent Recruitment and Retention

### 4.2.1 Talent Recruitment

Kuaishou strictly adheres to the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, and other applicable labor laws and regulations in its operating countries or regions. We have established comprehensive management systems such as the *Kuaishou Employees Handbook* and the *Outsourcing Personnel Management Regulations*. We continuously improve our recruitment system. We formulated policies such as the *Interviewer Management Specification*, the *Headhunter Supplier Management Specification*, the *Internal Referral Management System for Social Recruitment*, the *Background Investigation Management System*, and various overseas employment regulations, to establish a comprehensive recruitment and employment mechanism for our human resources system. In 2025, we optimized the *"Running Water Program" Management System*, the *Internal Referral Incentive Details for Social Recruitment*, and the *Job Posting Specification*, comprehensively enhancing the quality of recruitment management and talent hiring.

#### *Recruitment Process and Channels*

Kuaishou adheres to the core principles of "fairness, openness, and competition," and implements a strategy of "Precise Selection and Strong Branding" to continuously expand diverse talent acquisition channels. The Company ensures a seamless application process by refining the campus recruitment system, building a comprehensive employer media matrix, and expanding third-party online channels, while fully mobilizing employees' enthusiasm for internal referrals. Furthermore, we precisely attract high-quality technical talent by leveraging initiatives such as graduate student forums, university-enterprise collaborations, exclusive KOL technical sharing, and college social practice programs, continuously boosting appeal in the technical field, and identifying and nurturing outstanding technical leaders. Kuaishou has established partnerships with top-tier domestic and international institutions such as Tsinghua University and Peking University, cumulatively conducting over a hundred university-enterprise collaborations to shape a globally recognized technical talent brand. In 2025, the Company continued to innovate in employment models, extending multiple business operations to second-and third-tier cities through market outreach and deepened university-enterprise collaborations, effectively assisting more youth employment. Simultaneously, Kuaishou focuses on building a "youth-friendly" employer brand image, continuously broadening recruitment brand channels, refreshing brand core values, and engaging in new interactive formats such as live-streamed recruitment aligned with industry trends.

The Interviewer Management Specification requires interviewers to refrain from making any inappropriate remarks about candidates. Following interviews, we distribute interview feedback questionnaires for candidates to promptly address complaints. Interviewers found non-compliant would face penalties such as disqualification or mandatory retraining on interview conduct, ensuring candidates receive fair and transparent interview opportunities.

# Environmental, Social and Governance Report

## *Intelligent Recruitment Process*

Kuaishou has systematically integrated AI into its recruitment and employment workflows to enhance hiring efficiency and talent matching accuracy. The intelligent recruitment system and talent database allow us to leverage and redeploy historical candidate data effectively. This foundation supports a scientific and efficient talent selection framework, which optimizes our internal and external talent ecosystems, and deepens our understanding of market trends, thereby delivering a more professional experience for candidates. The system utilizes intelligent search and matching capabilities, employing semantic recognition and skill matching to align job requirements with candidate profiles. This streamlines the initial resume screening process and proactively recommends qualified candidates to interviewers, significantly reducing the time-to-fill for critical roles.

Regarding AI Interactive Applications, we implemented “Radish Interview”, our self-developed AI-powered interview tool, to provide technical support for interview evaluations. Simultaneously, the intelligent Q&A robot integrated into our campus recruitment official website now covers over 90% of routine inquiry scenarios. It provides instant responses to common questions regarding job responsibilities and interview procedures, while also delivering personalized position recommendations based on candidates’ academic backgrounds and internship experiences. During the peak 2025 autumn recruitment period, we achieved 24/7 real-time responsiveness, thereby enhancing both the recruitment team’s efficiency and the candidate experience. With these technological initiatives, Kuaishou has effectively advanced the intelligence of our recruitment process, contributing to improved hiring efficiency, optimized talent matching quality, and strengthened the Group’s responsiveness and appeal within the talent market.

When applying AI technology as auxiliary tools, we have established strict AI governance rules that prohibit algorithms from utilizing sensitive attributes such as gender, age, or location as decision-making factors. With these being done, we managed to ensure recruitment fairness from the outset. During the model training phase, we completely remove such biasing labels. Following the system’s launch, we conduct quarterly sampling audits of AI screening outcomes to continuously monitor and correct potential hidden biases, thereby maintaining effective oversight of AI applications.

In 2025, Kuaishou has earned widespread external recognition, including annual awards from numerous institutions. This achievement stems from its proactive efforts in employer branding, organizational talent management, campus brand development, and AI technology adoption.

# Environmental, Social and Governance Report

## Kuaishou's Awards in Recruitment in 2025

Hosts/Organizers		Awards/Recognition
1	LinkedIn	2025 Global Talent Magnet Employer <sup>1</sup>
2	36Kr	2025 Top 50 Employers with "Workplace Advantage" <sup>2</sup>
3	BOSS Zhipin	Ark of Champions, Most Talent-Centric Employer Award <sup>3</sup>
4	Maimai	Maimai "Worthy" Employer of the Year <sup>4</sup>
5	Liepin	Liepin Extraordinary Employer <sup>5</sup>
6	Nowcoder	Most Preferred Tech Talent Employer <sup>6</sup>
7	Intern Monk	Favorite Employer of 2025 <sup>7</sup>
8	OfferShow	Star Employer List <sup>8</sup>  AI/Key & Core Technology List
9	Zhaopin	Top Employer of the Year 2025 <sup>9</sup>
10	CIWEI	2025 Most Influential Youth-Friendly Employer Brand <sup>10</sup>



### 4.2.2 Talent Attraction and Welfare

Kuaishou is dedicated to building a fair, comprehensive, and market-competitive compensation and welfare system. Guided by various policies and regulations, including the *Kuaishou Employees Handbook*, the *Vocational Holiday Management System*, and the *Kuaishou Rent Subsidy Management Policy*, we safeguard employees' statutory rights and interests while further enhancing our support framework through diversified welfare offerings, providing backing for employees' daily work and lives. Concurrently, we utilize diverse compensation incentive tools and scenarios to offer competitive remuneration, effectively motivating employee performance. We have implemented an equity incentive plan for employees. As of December 31, 2025, approximately 30% to 40% of Kuaishou's employees were entitled to equity incentives.

# Environmental, Social and Governance Report

## Kuaishou's Employee Compensation System and Incentive Mechanism

Category	Initiatives
<b>Employee Compensation System</b>	We design compensation and benefits packages that match the characteristics of different roles, ensuring both reasonableness and market competitiveness. These packages are reviewed annually, with corresponding salary adjustments granted to outstanding employees to reflect their contributions and growth.
<b>Employee Incentive Mechanism</b>	<u>Short-term incentives</u> : We offer the annual performance bonus, and provide various short-term cash incentives based on the operating results of each business;  <u>Long-term incentives</u> : Employees in key positions and outstanding performers are granted equity as an incentive and recognition.

In 2025, Kuaishou further enhanced its employee welfare system, refining welfare offerings across 4 core modules: Kuaishou Insurance, Kuaishou Health, Kuaishou Life, Kuaishou Growth, to provide continuous care and support for employees.

# Environmental, Social and Governance Report

## Kuaishou's Employee Welfare System

Kuaishou Insurance	Kuaishou Health	Kuaishou Life	Kuaishou Growth
<ul style="list-style-type: none"> <li>• Business travel insurance</li> <li>• Accident insurance</li> <li>• Term life insurance</li> <li>• Serious illness insurance</li> <li>• Million-coverage medical insurance</li> <li>• Supplementary medical insurance (covering employees and their children)</li> <li>• Maternity reimbursement for female employees;</li> <li>• Provide employees with a variety of personal insurance products covering themselves, spouses, children, and parents (including spouses' parents). Employees can purchase these products at their own expense according to their own needs</li> </ul>	<ul style="list-style-type: none"> <li>• Annual physical examinations (covering employees, their parents and parents-in-law)</li> <li>• Discussion of examination results and online consultations with exclusive doctors</li> <li>• Priority medical access</li> <li>• SOS international emergency rescue support</li> <li>• Psychological support program</li> <li>• Mindfulness workshop courses</li> <li>• Health cabin</li> <li>• Massage services</li> <li>• Routine health checkups</li> <li>• Health promotion activities</li> <li>• Monthly health journals</li> <li>• Health lectures</li> <li>• "Tie Chang (nickname for Kuaishou's "Lao Tie" community culture) Workplace Exercises" follow-along videos</li> <li>• Fitness rooms</li> <li>• Team sports activities</li> </ul>	<ul style="list-style-type: none"> <li>• Flexible working hours</li> <li>• Work-from-home mechanism</li> <li>• Dining: Staff cafeteria, online food ordering, pantry and convenience store;</li> <li>• Housing: Housing allowance and public rental housing ballot</li> <li>• Lifestyle: Corporate car-hailing services, Kuaishou commuting bus and parking-space ballot</li> <li>• Services: Hair salon, baby care room, laundry services, wellness room (including massage services), nearby dining and shopping discounts, fitness room, etc.</li> <li>• Holidays: Paid annual leave welfare annual leave, exclusive Spring Festival leave, statutory annual leave, childcare leave, paternity leave, family leave for employees to care for parents in need, marriage and compassionate leave, maternity leave and fully-paid sick leave;</li> <li>• Gifts: Maternity gifts, wedding gifts, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Hybrid online &amp; offline learning and growth platforms</li> <li>• Diverse training brands</li> <li>• Company-wide, career-spanning training that delivers tailored empowerment to distinct employee populations</li> </ul>

# Environmental, Social and Governance Report

## 4.3 Employee Communication

Kuaishou places a high value on hearing from every employee. We have developed an employee communication framework supported by the labor union and diverse channels, ensuring that all feedback and concerns receive prompt attention and follow-up. We respect and protect employees' right to freedom of association, actively support labor union activities, and follow its leadership in facilitating a wide range of employee events to enrich workplace life, strengthen team cohesion, and cultivate a harmonious, fair, and participatory work environment.

### *Leadership by the Labor Union*

The labor union of Kuaishou Group in Beijing is dedicated to serving employees. By addressing the varied needs of our internet industry workforce, it continuously innovates in service delivery, expands support channels, and streamlines processes. On the policy front, we have established and refined over 10 institutional documents, including the *Kuaishou Employees Handbook*, creating a robust framework for protecting employee rights and delivering benefits, while also providing clear avenues for employees to voice their needs. Operationally, the labor union fosters cross-departmental collaboration to build a structured, long-term, and multi-level support system. By enhancing a coordinated "four-party" working model, we have established a service ecosystem known for its broad reach, operational efficiency, and distinct value, consistently improving both union service delivery and employee satisfaction. In 2025, the labor union of Kuaishou Group in Beijing successfully convened an employee representative meeting. Following extensive consultation and a formal vote, we reviewed and approved four key management policies, including the *Kuaishou Employee Information Security Code*, the *Kuaishou Safety Violation Handling Management Regulations*, the *Policy on the Personal Information Protection Compliance Audit*, and the *Kuaishou Employee Personal Information Protection Standards*. These were officially promulgated via a company-wide email. This process not only refined specific governance rules but also tangibly strengthened the Group's institutional capacity for effective employee dialog, democratic participation, and responsive action.

The labor union of Kuaishou regularly designs and organizes a wide range of activities. Fueled by robust collective interactions and cultural exchanges, these activities nurture collaboration among employees and strengthen emotional connections, in turn deepening their understanding of and alignment with the corporate culture while bolstering a collective sense of belonging and organizational identity.

### *Multiple Channels*

We are actively expanding employee communication channels by providing platforms for human resources inquiries, consultations, access to daily HR services, and both internal and external social networks. Employees can also engage in direct dialogs with management through tea gatherings, departmental meetings, and internal forums, allowing them to promptly voice opinions and suggestions. If employees encounter unfair practices or contentious issues at work, they are encouraged to report them truthfully to their supervisors or the human resources department. We commit to conducting thorough investigations and addressing every complaint, report, and related piece of information. In addition, we have launched the "Healthy Workplace" channel, advocating for all employees to collectively foster a fair and trustworthy work environment. We have established a complaint channel for behaviors that violate workplace conduct standards, such as unequal treatment, discrimination, harassment, and actions that do not align with the "Kuaishou Spirit" or public order and morals. We strictly protect the information of those who provide feedback.

# Environmental, Social and Governance Report

## Regular Surveys

Kuaishou conducts an annual, company-wide organizational capability survey to continuously monitor and enhance the employee experience. Designed to capture a multi-dimensional view of employee sentiment, the survey measures key indicators such as job satisfaction, cultural atmosphere, information communication, and organization and management. We employ internally developed survey tools and platforms to design anonymous questionnaires focused on core organizational topics, rigorously safeguarding personal data while gathering candid feedback from employee. We share survey findings and subsequent improvement measures with employees to encourage ongoing feedback, aiming to jointly drive the organization to form a positive cycle of continuous evolution.

In 2025, we further refined survey data analytics methods and platform capabilities, and beyond the standardized enterprise-wide survey, equipped individual departments with more tailored survey tools, resulting in over 94% employee participation in the annual initiative and the accumulation of over 400,000 words of open-ended feedback. Survey findings reveal that employee engagement and satisfaction have risen markedly, fueled by our targeted improvement initiatives. Supported by the Company's steady business growth and innovative AI technology adoption, employees' confidence in the Company's development prospects has been reinforced. Meanwhile, diversified cultural celebrations and holiday events have effectively strengthened organizational cohesion and employees' sense of belonging. Across all organizational levels, ongoing optimizations to information dissemination and meeting mechanisms have significantly boosted internal communication transparency and efficiency. Going forward, we will leverage survey insights to drive ongoing improvements and collaborate with all team members to foster sustained organizational advancement.

Meanwhile, Kuaishou conducts an HR employee service survey annually to continuously track employee service satisfaction.

### 2025 Organizational Capability Survey

Employee participation rate reached

**94%**

Open-ended feedback exceeded

**400,000 words**

### 2025 HR Employee Service Survey

Annual comprehensive eNPS reached

**89.5%**

A scoring increase of

**5.2%**

Among them, the "public rental housing business" had the highest scoring increase of

**14.1%**

### Highlights of Kuaishou's 2025 Internal Survey

#### Employee Activities

Kuaishou adheres to a people-oriented philosophy, actively curating and delivering a diverse range of employees' recreational, sports and holiday programs, thereby enriching their leisure time and fostering a relaxed, pleasant workplace environment.

# Environmental, Social and Governance Report

## 2025 Kuaishou Diversified Employee Activities

<p><b>“Yo-Yo • Employee Club Support Plan” Activity</b></p>	<p>To systematically support employees’ diverse interests and stimulate organizational vitality, the Labor Union launched Employee Club Support Plan. Through an optimized management structure and collaboration with the Club Federation, 12 clubs were successfully formed in the first phase. Concurrently, a dedicated fund management and reimbursement mechanism was established to provide substantive resource support, systematically cultivate employees’ diverse interests, and promote the sustainable development of corporate culture.</p>
<p><b>Kuaishou Employee Book House</b></p>	<p>To systematically address employees’ reading needs and optimize knowledge acquisition, the Labor Union created a convenient and efficient employee reading service system by collaborating with administrative, IT, and other departments to deploy 3 smart book cabinets across 2 Beijing campuses and upgrade accompanying reading spaces. These provide nearly 1,500 high-quality books covering various fields. Through integrated employee card access and online notifications, a 24/7 “Pocket Library” was established, leveraging intelligent technologies to streamline the borrowing experience, fulfill employees’ reading demands, and build a comprehensive cultural service system.</p>
<p><b>KBA2025 Kuaishou Basketball Tournament</b></p>	<p>From July 2 to 4, 2025, Kuaishou successfully hosted its inaugural employee basketball tournament. Over the three-day event, 10 teams from different business lines competed fiercely through 24 exciting matches, from the playoffs to the finals. All participants demonstrated tremendous effort and enthusiasm on the court, fully showcasing team vitality and competitive spirit.</p> 

# Environmental, Social and Governance Report

## Kuaishou 2025 Mid-Autumn Festival Activity

On September 26, 2025, Kuaishou hosted a Mid-Autumn Festival celebration themed “Cherish the Moment, Share Happiness Together”. The event innovatively integrated the “My Own Swordsman” IP, creating an immersive, company-wide “Shared Happiness” experience that seamlessly blended online and offline engagement. Our goal was to ensure every employee, regardless of location, deeply feel the sense of belonging and warmth of being “One Happy Family”.



## 4.4 Cultivating Talent

Kuaishou places strong emphasis on talent development, providing employees with systematic growth support. We have established a diversified training system covering professional skills and management expertise, complemented by comprehensive performance evaluations and fair promotion mechanisms. This holistic approach fully supports employees in realizing their personal value and fostering mutual growth.

### *Kuaishou's Training System*

To standardize and enhance the efficiency of employee training, Kuaishou has developed a comprehensive training system, including the *Career Development System of Kuaishou*, the *Kuaishou Course Management System*, the *Kuaishou Training Operation Management System*, and the *Kuaishou Assignment Training Management Rules*.

To support employee growth, Kuaishou has developed a robust training platform with diverse channels, forming a comprehensive learning ecosystem that integrates both depth and breadth. This provides diversified training support tailored to various employee categories across different career stages.

# Environmental, Social and Governance Report



## Training Methods

- Kuai LEARNING (online learning platform)
- Kuai TEACH (instructor team, massive course database, relevant systems and SOP)
- Kuai MENTOR (coaching)



## Type of Training

- Kuai LEAD (leadership)
- Kuai TECH (professional skills)
- Kuai TALK (openness)
- Kuai UP (general skills)
- Kuai START (new employees)

### Diversified Training Methods:

#### Kuai LEARNING

#### Kuai TEACH

#### Kuai MENTOR

- Establishes “Kuaishou Middle School”, an online training platform designed to efficiently integrate high-quality resources and improve training effectiveness.
- The courses offered on Kuaishou Middle School cover a wide range of topics, including technology development, product operations, management skills, general skills, onboarding essentials, and interest-based knowledge, ensuring 100% coverage of all employees (including full-time and part-time employees, new employees, dispatched labor and interns).
- As of December 31, 2025, Kuaishou Middle School has provided a total of 4,767 courses.
- Establishes industry-academia exchange platforms and collaborates with external specialized technical communities, relevant publishers, and internet media channels to significantly enhance the professional expertise and industry perspectives of our production and research staff.
- The Labor Union provides crucial support for employee development, offering training and development channels through union-organized initiatives.
- Building an IP-based activity system: We successfully establish the “Kuaishou Technology Salon” brand. In collaboration with internal channels, Kuaishou Middle School and Kuaishou Culture, three sessions were planned and executed, focusing on technical strengths such as recommendation algorithms, AI + big front-end and cross-platform development. The events attracted over 120,000 participants online and offline.

# Environmental, Social and Governance Report

Comprehensive Training Categories	
<p><b>Kuai LEAD x Kuai TALK x Kuai UP:</b></p> <p><b>Leadership Training</b></p>	<p><b><u>Tiered Development Programs:</u></b></p> <ul style="list-style-type: none"> <li>Specialized programs for technical leaders/frontline leaders, directors and general managers</li> <li>“New Wings Initiative” (for newly appointed leaders)</li> <li>Focus on core talents/key talents/high-potential employees within various business departments</li> </ul> <p><b><u>Development Models:</u></b></p> <ul style="list-style-type: none"> <li>Combination of online learning, offline learning, and business-integrated growth companionship projects</li> <li>Integration of long-term development and short-term practical application</li> <li>Company-wide coordination + business line customization (10+ specialized programs)</li> </ul>
<p><b>Kuai TECH x Kuai TALK x Kuai UP:</b></p> <p><b>Professional Talent Training</b></p>	<p><b><u>Technology Talent Development:</u></b></p> <ul style="list-style-type: none"> <li>Deep cultivation in 7 major technical fields</li> <li>Strengthening of technical management capabilities</li> <li>Internal and external expert exchange mechanisms</li> </ul> <p><b><u>Product, Operations, Sales Talent Development:</u></b></p> <ul style="list-style-type: none"> <li>Expansion of professional depth and breadth</li> <li>Introduction of and collaboration with industry experts</li> <li>Practical problem-solving orientation</li> </ul> <p><b><u>High-Potential Acceleration Program:</u></b></p> <ul style="list-style-type: none"> <li>Integration of on-the-job practice, mentoring, and course learning</li> </ul> <p><b><u>Certification Support:</u></b></p> <ul style="list-style-type: none"> <li>The Labor Union organized the “Employee Innovation and Patent Application Promotion” initiative, identifying 300 eligible employees and awarding each RMB3,000 in funding support. Additionally, it partnered with the Science City Federation of Trade Unions to deliver on-site services directly to the workplace, including convenient access to patent registration and account opening.</li> <li>The Company organized training courses for professional qualifications such as Data Security Engineer and PIA<sup>19</sup> Personal Information Protection, to help employees earn certifications, elevate team professional standards, and cultivate a culture of continuous learning.</li> </ul>

<sup>19</sup> PIA refers to the Personal Information Protection Impact Assessment.

# Environmental, Social and Governance Report

## Comprehensive Training Categories

<b>Kuai START x Kuai TALK x Kuai UP:</b>	<b>“3+1” campus recruitment training system:</b>
<b>New Employee Training</b>	<ul style="list-style-type: none"><li>• Company level: initiatives such as live streaming experiences, short video competitions, knowledge inheritance, user engagement activities and business challenges are organized to align with business objectives; general competency courses are offered to facilitate a smooth transition into the workplace;</li><li>• Channel level: a business overview is provided, emphasizing practical experience and hands-on learning</li><li>• Department level: a phased, modular, and long-term training approach is adopted, focusing on project-based learning</li></ul>
	<b>Institutional support:</b>
	<ul style="list-style-type: none"><li>• <i>Campus-recruited Employees Growth Handbook</i></li><li>• Continuous iteration of the <i>Mentor Coaching Guide</i></li></ul>
	<b>Mentor Support:</b>
	<ul style="list-style-type: none"><li>• One-on-one mentor coaching</li><li>• Mentor-mentee activities to strengthen connections</li><li>• Enhancement of mentor capabilities and motivations</li></ul>

Furthermore, in addition to the diverse training programs mentioned above, in professional qualification support, the Company reviews its pool of professional talent annually. Employees in relevant positions are permitted and supported in pursuing qualifications such as the Certified Public Accountant designation. The Company provides full coverage of expenses, including examination fees, training costs and textbook fees, thereby fostering employees’ career development and professional advancement.

### Employee AI Empowerment Training

With the deepening application of AI technology, the Company conducted a series of seminars, case studies, and hands-on workshops throughout 2025, focusing on key topics including AI ethics, data privacy protection, model security, and content compliance. These initiatives targeted technology R&D, product operations, and relevant management teams, aiming to enhance employee awareness of potential AI risks and ensure that technological innovation adheres to safety standards and value-based requirements.

In 2025, Kuaishou implemented a comprehensive three-pronged approach encompassing “course learning, case base, and competitive practice” to foster an organizational culture of “learning AI and applying AI”, thereby driving business innovation and operational efficiency.

# Environmental, Social and Governance Report



## AI Courses System

Over 100 AI large-model courses are offered to all employees, including more than 20 specialized courses tailored for campus-recruited employees that cover each stage of their first year, thereby strengthening foundational AI skills of all employees.



## AI Case Library

Over 200 practical application cases from various business departments have been collected and documented, creating an internal knowledge base that facilitates cross-team learning and best-practice sharing.



## AI Application Challenge

Kuashou hosted the “Kuaishou All-Staff AI Application Challenge,” attracting over 3,000 participants. A total of 163 individuals in 12 teams received awards, developing 42 solutions for real business scenarios and accumulating 168 verified AI business application practices.



2025 Kuaishou All-Staff AI Application Challenge



2025 Kuaishou AI Empowerment Training

In the fourth quarter of 2025, Kuaishou launched an internal AI capability-building initiative for all employees: the Kuaishou All-in AI Application Challenge. With dual tracks of “AI Innovation Exploration” and “AI Application Cases”, participants engaged in practical applications across over 40 real business scenarios. Through a diverse evaluation system, every idea was given practical consideration.

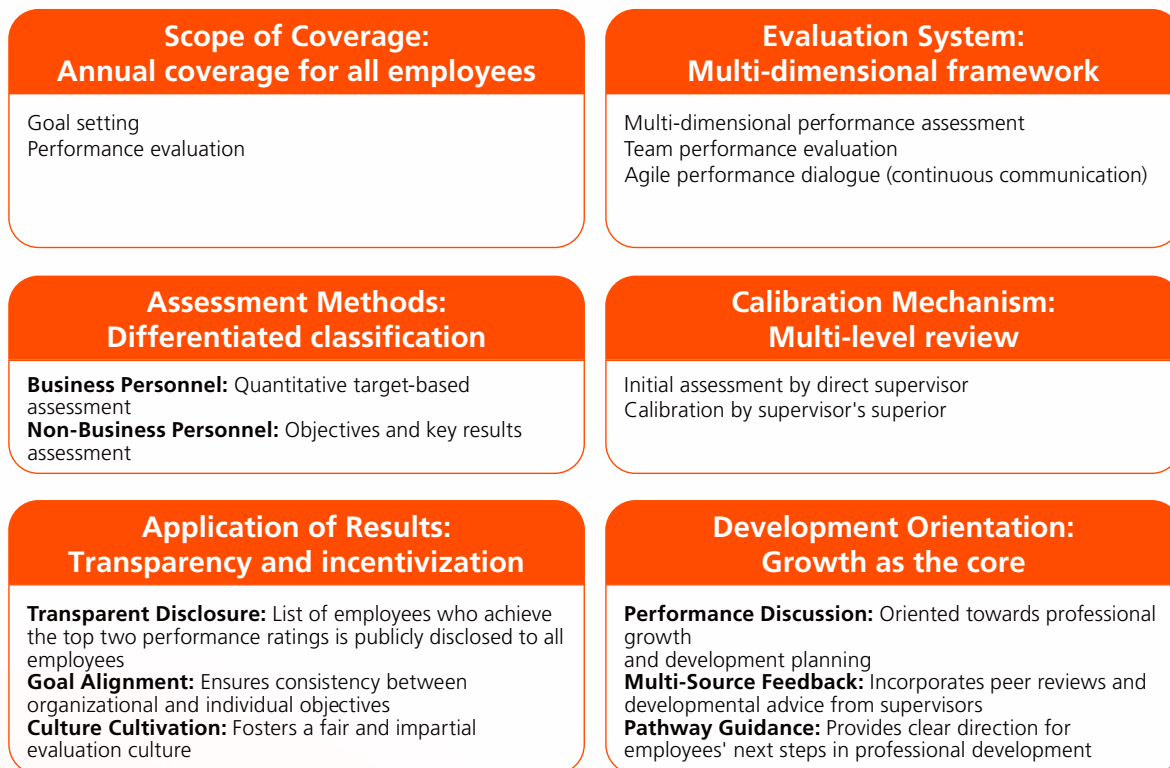
The competition fully ignited Kuaishou employees’ enthusiasm and initiative to focus on, participate in and co-build AI, attracting over 1,300 participations from 13 major departments and more than 10,000 viewers, thereby truly integrating AI into the fabric of the organization. Furthermore, the competition yielded 42 promising solutions for real business scenarios and accumulated 168 validated AI practices, directly facilitating problem-solving and the dissemination of experiences, while continuously promoting the reuse and amplification of successful experiences within the organization.

### Kuaishou Talent Performance Evaluation

While advancing employee training initiatives, Kuaishou adheres to a talent development philosophy centered on professional competence and performance achievements. We simultaneously implement a rigorous and scientific system for talent selection, evaluation and cultivation and optimize performance assessment mechanisms to accurately quantify employees’ contributions and career growth. Annually, Kuaishou conducts goal setting and performance evaluations covering all employees, comprehensively assessing individual contributions, collaborative impact, and development potential through diverse, objective methods, thereby providing clear and reliable criteria for talent development and promotion.

# Environmental, Social and Governance Report

## Kuaishou Performance Evaluation Mechanism



In 2025, to further refine the evaluation system, we have implemented updates across 3 core dimensions. These enhancements make performance appraisals more scientifically reflective of individual contributions and growth, continuously driving the enhancement of organizational capabilities.

### Ensuring Evaluation Stability

- When an employee's supervisor changes during a performance cycle
- Upon supervisor transition, the system automatically solicits feedback from the previous supervisor and requires both supervisors to reach a consensus on the evaluation
- To enhance the continuity and objectivity of the evaluation

### Optimizing the Feedback Mechanism

- Subordinate to give upward evaluation to manager
- The feedback questionnaire has been restructured into a "1+N" format: one overarching assessment of overall leadership effectiveness, supplemented by 4 specific questions measuring key managerial processes
- To provide managers with actionable insights for enhancing their leadership impact and team organizational capabilities

### Optimizing the Peer Review Mechanism

- For key personnel in strategic product development and applied algorithms
- Through optimizing and streamlining the peer feedback process
- Make performance assessments more critical and comprehensive, thus fostering the long-term development of strategic talent

# Environmental, Social and Governance Report

## Kuaishou Talent Promotion System

Kuaishou actively encouraged internal promotions and emphasized the principles of “financial accountability” and “management accountability” for senior-level managers. To support newly appointed managers, we implemented a probationary period system and provided tailored training for first-time managers. For senior-level managers, we systematically developed a “Management Accountability Index System” to quantify their performance outcomes. From the professional development perspective, we leveraged the channel committee’s management mechanism to optimize job level standards and introduced frequent senior-level involvement in evaluation processes to ensure fairness. Furthermore, we incorporated mechanisms such as performance-based fast-track promotions and exceptional case considerations into the job level advancement system, boosting the motivation of high-performing employees.

To systematically strengthen talent promotion and development mechanisms, Kuaishou has implemented a series of targeted initiatives since 2025, focusing on key talent cohorts. These optimizations specifically address 3 segments: high-performance and high-potential talents, new campus-recruited employees, and managers.

### 2025 Optimization of Kuaishou’s Employee Promotion Pathways



To ensure the effective implementation of these mechanisms and continuously cultivate a fair and equitable organizational culture, Kuaishou reinforced its governance framework in 2025. This includes heightened communication of zero-tolerance warnings regarding uncivil and unfair conduct during the promotion process, clarified protocols for investigating and disciplining reported violations, and enhanced transparency across the promotion process through public disclosure measures. These concerted efforts are dedicated to fostering an increasingly fair and just organizational culture.

# Environmental, Social and Governance Report

## 4.5 Health and Safety of Employees

Kuaishou regards occupational health and safety as a significant responsibility. We have established a comprehensive protection system to fully safeguard the physical and mental well-being of our employees. Kuaishou strictly adheres to laws and regulations such as the *Work Safety Law of the People's Republic of China* and the *Fire Control Law of the People's Republic of China*, and other applicable laws and regulations in the jurisdictions where we operate, ensuring employee health and safety while creating a secure and comfortable office environment. We have formulated and implemented the *Kuaishou Technology Occupational Health and Safety Policy*, which covers all Kuaishou employees, including part-time staff. The policy clearly defines our commitment and responsibilities regarding the protection employees' occupational health rights and the provision of a safe working environment, and is dedicated to continuously improving our health and safety management standards and performance.

Meanwhile, the *Health Occupational Site Regulation System* of the Group also applies to suppliers, ensuring that workplace safety and health standards are consistently implemented throughout the value chain. To ensure the ongoing effectiveness and compliance of relevant policies, and to fully respect and safeguard the legal rights and interests of employees, Kuaishou formally consults with the labor union when formulating or updating any occupational health and safety policies, actively listens to and adopts employees' reasonable opinions and suggestions, and ensures their full participation throughout the process. Based on this, the Company systematically identifies key risk areas, establishes clear priorities and specific action plans, and translates its solid commitment to employee health, safety and rights into practice through regular reviews and improvements.

### *Occupational Safety Management Process*

Kuaishou systematically integrates workplace safety and health management into the office environment management system, implementing a clear three-tier management structure for target approval, plan supervision, on-site execution, and periodic assessment, thereby achieving holistic systematic management. On this basis, Kuaishou continuously strengthens workplace safety through ongoing risk identification, hazard management, labor protection, and company-wide safety education. We regularly evaluate occupational health and safety performance, refine contingency mechanisms, and drive the continuous optimization of management measures to protect employee health and safety and achieve corporate sustainable development goals.

In 2025, Kuaishou established annual Environment, Health and Safety (EHS) goals covering multiple dimensions such as safety incident control, environmental quality management, emergency preparedness enhancement, and fire safety improvement. These goals included key performance indicators such as the number of Tier 1 safety incidents, workplace indoor air quality compliance rate, number of emergency drill completions, fire safety awareness campaign participation rate, and the number of fire safety incidents. Systematic tracking and dynamic management were implemented to ensure the effective achievement of these goals. To strengthen the systematization and timeliness of emergency response, the "EHS Incident Management Fast Process" mini-program was designed and launched, establishing real-time reporting and handling mechanisms for various risks, including production safety incidents, food safety-related issues, and environmental pollution incidents. This process not only ensures rapid response and closed-loop management of incidents, but also provides strong data support and execution assurance for the tracking, evaluation, and completion of our corporate goals.

# Environmental, Social and Governance Report

On this basis, we continuously promoted the nationwide investigation and management of workplace hazards. In 2025, we cumulatively organized and conducted 240 specialized investigation and management actions. Nationwide workplace self-inspections identified and recorded a total of 3,890 hazard items, achieving closed-loop management from investigation and recording to rectification, thereby further safeguarding occupational health.

Kuaishou has established an “On-Duty Commander” program, a well-trained, 24/7 emergency response team dedicated to serving its offices nationwide. Through nearly 600 emergency drills and specialized training sessions conducted across the country, we have provided robust capability support and resource assurance for the workplace health emergency response system. This initiative helps enhance the overall capacity to handle sudden first-aid incidents in the workplace, demonstrating our commitment to building a comprehensive and compassionate first-aid service network.

## Medical Insurance

Kuaishou provides supplementary medical insurance and critical illness coverage to all employees, enhancing our health and safety protection system. We arrange regular health check-ups for employees and provide professional interpretation services for medical reports. For employees suffering from serious illnesses or critical diseases, the Company offers priority medical consultation channels and comprehensive support throughout the diagnosis and treatment process.

### Key Measures by Kuaishou for Caring for Employees with Serious Illnesses

<b>Medical Insurance Guarantee</b>	Provide critical illness insurance, outpatient hospitalization reimbursement and serious illness hospitalization reimbursement. If the reimbursement limit is exceeded, the public insurance amount will be provided as appropriate to bear the reimbursement of excess treatment expenses.
<b>Medical Resource Coordination</b>	Based on the situation of seriously ill employees, health management resources would be contacted to provide registration, hospitalization and transfer resources coordination for employees.
<b>In-Hospital Visit and Care</b>	The Company’s representative buys flowers, fruits, nutritional supplements, etc. and visits employee at hospital to express team care.
<b>Compassion Fund</b>	Provide additional special assistance funds on humanitarian grounds beyond any legal obligations (if applicable) of the Company, to address personal safety emergencies, including sudden illnesses, injuries or death during an employee’s tenure, whether work-related or not.

# Environmental, Social and Governance Report

## Health and Safety Training

Kuaishou places great importance on employee health and safety training. Within the new employee orientation training system, “Kuaishou Workplace Safety Awareness” is a key mandatory module, complemented by corresponding safety awareness assessments to ensure safety awareness is deeply ingrained in employees’ mindsets.

To further strengthen employees’ health and safety competencies, Kuaishou continues to deepen its “First Aiders” training program. In 2025, we totally organized 19 “First Aiders” training sessions. Over the past 6 years since the launch of the “First Aiders” training program, more than 6,002 employees nationwide have obtained first aid certifications, the national training ratio has reached nearly 10%, leading across the industry, with training covering the workplaces in 21 cities. We offered a total of 113 training sessions, covering all key positions of on-site suppliers. Since the introduction of the First Aiders badge in 2022, a total of 4,608 employees have earned this recognition.

To fortify workplace safety defenses, Kuaishou organized annual fire safety themed activities during the National Fire Protection Month in 2025. We disseminated fire safety knowledge to all employees through comprehensive awareness channels and concurrently conducted practical drills for firefighting, rescue, evacuation, and self-rescue. These drills comprehensively tested the feasibility of fire emergency plans and the team’s emergency response capabilities, effectively enhancing safety awareness and the Company’s overall disaster prevention capacity.



“First Aiders” Training



Fire Safety Publicity Activity

# Environmental, Social and Governance Report

## Safeguarding Physical and Mental Health

Kuaishou highly values the physical and mental health of its employees, committing to systematically preventing various health and safety risks in the workplace and continuously raising all employees' health and safety awareness. Through the establishment of the "Health Cabin" service system, we provide employees with regular services such as health consultations and therapeutic massages. Simultaneously, we have set up an online dedicated doctor channel, allowing employees convenient access to professional guidance. To strengthen emergency support, we have equipped AED<sup>20</sup> devices in workplaces nationwide and ensured all office locations are strictly equipped with sufficient first-aid kits based on area and headcount to safeguard employee health and safety. Regarding mental health support, the Company implements the "EAP<sup>21</sup> Employee Mental Health Assistance Program," providing professional psychological counseling services to employees through a combination of online and offline methods, effectively enhancing their psychological resilience and stress management capability. Furthermore, we focus on employees' daily health maintenance and physical fitness promotion by providing ergonomic office furniture, setting up fitness areas and equipment in all workplaces, regularly organizing fitness classes, and encouraging employees to develop exercise habits, comprehensively safeguarding their physical and mental well-being.

### Kuaishou's Employee Health Activities in 2025

#### Health-themed Activities

In 2025, Kuaishou's "Health Cabin" systematically carried out a variety of activities around employees' comprehensive health needs, including skin testing, scalp health assessments, Sanfutie services, distribution of heatstroke prevention and cooling kits, community doctor workplace visits, Airdoc testing, expert free consultations, health forums, and special lectures. The content covered ten major health themes: shoulder and neck care, retirement planning, health screenings, gastrointestinal regulation, weight management, first aid training, sleep improvement, influenza prevention, eye care, and mosquito prevention. The total number of the annual cumulative participation reached 7,000. This series of activities effectively raised employees' health awareness and improved overall health levels.



<sup>20</sup> AED refers to Automated External Defibrillator.

<sup>21</sup> EAP refers to Employee Assistance Program.

# Environmental, Social and Governance Report

## Mindfulness Workshops

In 2025, Kuaishou continued to build the “Mindfulness” brand activity. Through guidance from professional instructors, mindfulness-based stress reduction workshops were conducted on themes such as emotional regulation, self-acceptance, sleep relaxation, efficiency enhancement, mindful weight loss, and mindful drawing. A total of 17 sessions were held throughout the year, with participation from hundreds of employees, providing systematic stress release and self-adjustment support to help them achieve psychological balance between work and life.



## 5.25 Mental Health Care Activity

In conjunction with “5.25 Mental Health Care Day,” Kuaishou organized mental health themed promotion activities in May. Through diverse experiences such as brainwave painting, dynamic mind-forest breathing regulation, essential oil mood awakening, self-portraits, wish message walls, and positive energy quote interactions, the activities enhanced employees’ awareness of mental health, conveyed the concept of “cherishing and loving oneself” and increased employee engagement and psychological resilience.



## Kuaishou “Da Fu Weng” (大福翁) Welfare Care Activity

In November, Kuaishou launched the “Da Fu Weng” comprehensive welfare experience activity. Through a booth check-in format, the activity systematically introduced Kuaishou’s full-scenario welfare and health care initiatives to employees. The activity included sessions on insurance coverage upgrades, pain relief guidance from rehabilitation experts, on-the-job exercise sessions, and interactive emotional release activities (e.g., bad mood shredder, good mood wishing tree). It attracted over 3,000 participations online and offline, significantly enhancing employees’ perceived value and recognition of the corporate welfare system.



# Environmental, Social and Governance Report

## 5. APPENDIX

### 5.1 Environmental Performance Data Table

Environmental Key Performance Indicators	Unit	2025
<b>Greenhouse Gas Emissions</b>		
<b>Total greenhouse gas emissions (Scopes 1 and 2)<sup>22, 23</sup></b>	ten thousand tCO <sub>2</sub> e	35.60
– Emissions (Scope 1)	ten thousand tCO <sub>2</sub> e	0.20
– Emissions (Scope 2 location—based) <sup>24</sup>	ten thousand tCO <sub>2</sub> e	35.40
– Emissions (Scope 2 market—based) <sup>25</sup>	ten thousand tCO <sub>2</sub> e	5.09
Per capita greenhouse gas emissions (Scopes 1 and 2)	tCO <sub>2</sub> e/person	13.13
<b>Greenhouse gas emissions (Scopes 3)<sup>26</sup></b>	ten thousand tCO <sub>2</sub> e	160.02
– Category 1: Purchased goods and services	ten thousand tCO <sub>2</sub> e	3.91
– Category 2: Capital goods	ten thousand tCO <sub>2</sub> e	50.36
– Category 3: Fuel and energy—related activities	ten thousand tCO <sub>2</sub> e	0.82
– Category 6: Business travel	ten thousand tCO <sub>2</sub> e	1.60
– Category 7: Employee commuting	ten thousand tCO <sub>2</sub> e	1.01
– Category 8: Upstream leased assets	ten thousand tCO <sub>2</sub> e	102.32
Per capita greenhouse gas emissions (Scopes 3)	ten thousand tCO <sub>2</sub> e/person	0.01

<sup>22</sup> Except for emissions (scope 3), the remaining environmental key performance indicators only covered Kuaishou’s self-built data center and all the operational offices.

<sup>23</sup> Greenhouse gas emissions accounting is based on the operational control principle and is a measurable material source category of Scope 1 and Scope 2 greenhouse gas emissions within Kuaishou’s organization and reporting scope in FY2025. Greenhouse gas emissions are calculated in accordance with the Greenhouse Gas Protocol and are presented in carbon dioxide equivalents.

<sup>24</sup> The Scope 2 GHG emissions are mainly derived from indirect GHG emissions from purchased electricity and purchased heat consumed in the operation processes of Kuaishou. The location-based method calculates purchased electricity by adopting the average emission intensity of the local power grid, and the calculation methodology is based on the How to Prepare an Environmental, Social and Governance Report — Appendix II: Reporting Guidelines on Environmental Key Performance Indicators issued by the Stock Exchange, of which, the 2025 electricity emission factor adopts the grid emission factor of 0.5306 tCO<sub>2</sub>/MWh from the Announcement on the Release of 2023 Electricity CO<sub>2</sub> Emission Factor issued by the Ministry of Ecology and Environment on December 31, 2025.

<sup>25</sup> The market-based approach is to quantify the Scope 2 GHG emissions based on the purchased electricity (excluding market-traded non-fossil energy electricity) consumed by Kuaishou in the operation processes, purchased heat and tools among electricity suppliers (such as green energy certificates), and the calculation methodology is based on the How to Prepare an Environmental, Social and Governance Report — Appendix II: Reporting Guidelines on Environmental Key Performance Indicators issued by the Stock Exchange, of which, the 2025 electricity emission factor adopts the grid emission factor of 0.6096 tCO<sub>2</sub>/MWh from the Announcement on the Release of 2023 Electricity CO<sub>2</sub> Emission Factor issued by the Ministry of Ecology and Environment on December 31, 2025.

<sup>26</sup> We refer to the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011) to identify our Scope 3 greenhouse gas emissions across 15 Scope 3 categories. We identified and disclosed for the first time 6 Scope 3 categories that are relevant to our business, with other categories not included because they are not relevant to our business or the data is not material for quantitative purposes.

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Environmental Key Performance Indicators	Unit	2025
<b>Energy Consumption</b>		
<b>Total Energy Consumption</b>	MWh	676,315.31
Direct energy consumption	MWh	9,148.09
– Natural gas	m <sup>3</sup>	877,594.00
– Diesel	tonne	39.93
Indirect energy consumption	MWh	667,167.23
– Purchased electricity	MWh	667,167.23
– Purchased heat	GJ	0 <sup>27</sup>
Per capita total energy consumption	MWh/person	24.94
<b>Water Consumption</b>		
Fresh water consumption	ten thousand tonnes	18.84
Reclaimed water consumption	ten thousand tonnes	0.36
Per capita fresh water consumption	tonne/person	7.08
<b>Waste Water Generation</b>		
Waste water discharge	ten thousand tonnes	12.94
Per capita waste water discharge	tonne/person	4.77
<b>Waste Generation</b>		
Hazardous waste	tonne	30.5
Per capita hazardous waste	kg/person	1.12
Non-hazardous waste	tonne	1,488
Per capita non-hazardous waste	kg/person	54.87

<sup>27</sup> As air-conditioning has been adopted for heating in 2025, no external heating has been purchased.

# Environmental, Social and Governance Report

## 5.2 Social Performance Data Table

Social Key Performance Indicators		2025
<b>Employee Headcount</b>		
<b>Total Employee Headcount (person)</b>		<b>27,119</b>
By employment type (person)	Full-time	24,202
	Others <sup>28</sup>	2,917
Number of full-time employees by gender (person)	Male	13,376
	Female	10,826
Number of full-time employees by age group (person)	Under 30	14,017
	30 to 50	10,169
	Above 50	16
Number of full-time employees by geographical region (person)	Chinese Mainland	24,075
	Overseas and Hong Kong SAR, Macao SAR and Taiwan regions of China	127
Number of full-time employees by management level (person)	Management (person)	1,435
	Non-management (person)	22,767
<b>Full-time Employee Turnover Rate</b>		
<b>Total Full-time Employee Turnover Rate (%)<sup>29</sup></b>		<b>27.4%</b>
By gender	Male	28.8%
	Female	25.8%
By age group	Under 30	28.8%
	30 to 50	25.6%
	Above 50	6.3%
By geographical region	Chinese Mainland	27.4%
	Overseas and Hong Kong SAR, Macao SAR and Taiwan regions of China	32.3%
<b>Work-related Injuries and Fatalities</b>		
Work-related fatalities (person)		0 <sup>30</sup>
Work-related fatality rate (%) <sup>31</sup>		0
Lost days due to work injury (day) <sup>32</sup>		1,516 <sup>33</sup>

<sup>28</sup> Other types of employees include the headcounts of employees who are directly managed by the Company, including part-time employees, dispatched labor and interns. The number of such employees is not included in the breakdown of employee data by category.

<sup>29</sup> Employee turnover rate = the number of full-time employees leaving the Company in the reporting year/the total number of full-time employees at year end \* 100%. The number of employees leaving the Company includes full-time employees leaving the Company (due to voluntary resignations, dismissals or retirement), and does not include full-time employees leaving the Company during their probation period.

<sup>30</sup> Kuaishou has not had any work-related fatalities in the past three years (including the Reporting Year).

<sup>31</sup> Work-related fatality rate = (total number of work-related fatalities/total employee headcount) \* 100%.

<sup>32</sup> The data is verified by the local official agency for work-related fatalities, as determined by the local Human Resources and Social Security Bureau. Every 8 hours is calculated as one workday.

<sup>33</sup> During 2025, fractures accounted for a relatively high proportion of work-related injury incidents, which required a longer recovery period, resulting in an increase in the data compared with previous years.

## Environmental, Social and Governance Report

Social Key Performance Indicators		2025
<b>Employee Training</b>		
<b>Total Investment in Employee Training (in RMB ten thousands)</b>		<b>1,562</b>
"Kuaishou Middle School" training results	Total time of training (hours)	1,155,795
	Total number of participants (person-times)	764,967
	Number of courses offered (courses)	4,767
Percentage of employees trained by employee category	Management (%)	89.4%
	Non-management (%)	95.1%
Training hours per capita by employee category	Management (hours)	55.8
	Non-management (hours)	47.3
Percentage of employees trained by gender	Male (%)	94.9%
	Female (%)	94.2%
Training hours per capita by gender	Male (hours)	49.3
	Female (hours)	45.9
<b>Supply Chain Management</b>		
<b>Total Number of Suppliers (unit)</b>		<b>3,506</b>
By geographical region	Chinese Mainland (excluding Hong Kong SAR, Macau SAR and Taiwan regions of China) (unit)	3,180
	Hong Kong SAR, Macao SAR and Taiwan regions of China (unit)	79
	Overseas (unit)	247
<b>Community Investment</b>		
Total donation of public welfare projects (in RMB ten thousands)		7,529
Total time invested in public welfare projects (hours)		28,648

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## 5.3 Index of ESG Indicators

Indicators	Disclosure Requirements	Related Sections
<b>Part C: "Comply or Explain" Provisions</b>		
<b>A1</b>	<p><b>Emissions:</b> General Disclosure Information on:</p> <p>(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p>	<b>2.2 Green Operation</b>
<b>KPIA1.1</b>	The types of emissions and respective emissions data.	<b>2.2.3 Emissions Management</b>
<b>KPIA1.3</b>	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	<b>5.1 Environmental Performance Data Table</b>
<b>KPIA1.4</b>	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	<b>5.1 Environmental Performance Data Table</b>
<b>KPIA1.5</b>	Description of emission target(s) set and steps taken to achieve them.	<b>2.1 Climate Change Response</b>
<b>KPIA1.6</b>	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	<b>2.2.3 Emissions Management</b>
<b>A2</b>	<p><b>Use of Resources:</b> General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.</p>	<b>2.2.1 Energy Management</b> <b>2.2.2 Water Resource Management</b>
<b>KPIA2.1</b>	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	<b>5.1 Environmental Performance Data Table</b>
<b>KPIA2.2</b>	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	<b>5.1 Environmental Performance Data Table</b>
<b>KPIA2.3</b>	Description of energy use efficiency target(s) set and steps taken to achieve them.	<b>2.2.1 Energy Management</b>

# Environmental, Social and Governance Report

Indicators	Disclosure Requirements	Related Sections
KPIA2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	2.2.2 Water Resource Management
KPIA2.5	Total packaging material used for finished products (in tonnes) and, where appropriate, with reference to per unit produced.	Not Applicable <sup>34</sup>
A3	<b>The Environment and Natural Resources:</b> General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.	2.2.4 Ecological Protection
KPIA3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	2.2.4 Ecological Protection
B1	<b>Employment:</b> General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	4.1.2 Fostering Diversity and Inclusion 4.2 Talent Recruitment and Retention
KPIB1.1	Total workforce by gender, employment type (for example, full-time or part-time), age group and geographical regions.	5.2 Social Performance Data Table
KPIB1.2	Employee turnover rate by gender, age group and geographical regions.	5.2 Social Performance Data Table
B2	<b>Health and Safety:</b> General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	4.5 Health and Safety of Employees
KPIB2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	5.2 Social Performance Data Table
KPIB2.2	Lost days due to work injury.	5.2 Social Performance Data Table
KPIB2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	4.5 Health and Safety of Employees

<sup>34</sup> As a small portion of the Group's e-commerce platform business involved direct operations, but the production, packaging, inventory, transportation and other stages of related products were still essentially carried out by third-party e-commerce merchants, and the Group did not engage in the direct procurement of packaging materials, this indicator was not applicable.

# Environmental, Social and Governance Report

Indicators	Disclosure Requirements	Related Sections
B3	<p><b>Development and Training:</b>                      General Disclosure                      Policies on improving employees' knowledge and skills for discharging duties at work.                      Description of training activities.</p>	4.4 Cultivating Talents
KPIB3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	5.2 Social Performance Data Table
KPIB3.2	The average training hours completed per employee by gender and employee category.	5.2 Social Performance Data Table
B4	<p><b>Labor Standards:</b>                      General Disclosure                      Information on:                      (a) the policies; and                      (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced Labor.</p>	4.1.1 Rights and Interests of Employees and Labor Practices
KPIB4.1	Description of measures to review employment practices to avoid child and forced labor.	4.1.1 Rights and Interests of Employees and Labor Practices
KPIB4.2	Description of steps taken to eliminate such practices when non-compliance is identified.	4.1.1 Rights and Interests of Employees and Labor Practices
B5	<p><b>Supply Chain Management:</b>                      General Disclosure                      Policies on managing environmental and social risks of the supply chain.</p>	1.4 Supply Chain Management
KPIB5.1	Number of suppliers by geographical regions.	5.2 Social Performance Data Table
KPIB5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	1.4 Supply Chain Management
KPIB5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	1.4 Supply Chain Management
KPIB5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	1.4 Supply Chain Management
B6	<p><b>Product Responsibility:</b>                      General Disclosure                      Information on:                      (a) the policies; and                      (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</p>	3.2 User Privacy Protection 3.5 Protection of Intellectual Property Rights 3.6 Platform Ecosystem Governance

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Indicators	Disclosure Requirements	Related Sections
KPIB6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not Applicable <sup>35</sup>
KPIB6.2	Number of products and service related complaints received and how they are dealt with.	3.6 Platform Ecosystem Governance
KPIB6.3	Description of practices relating to observing and protecting intellectual property rights.	3.5 Protection of Intellectual Property Rights
KPIB6.4	Description of quality assurance process and recall procedures.	Not Applicable <sup>36</sup>
KPIB6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	3.2 User Privacy Protection
B7	<b>Anti-corruption:</b> General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	1.3 Business Ethics
KPIB7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	1.3 Business Ethics
KPIB7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	1.3 Business Ethics
KPIB7.3	Description of anti-corruption training provided to directors and staff.	1.3 Business Ethics
B8	<b>Community Investment:</b> General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	3.7 Public Welfare and Charity Initiatives
KPIB8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	3.7 Public Welfare and Charity Initiatives
KPIB8.2	Resources contributed (e.g. money or time) to the focus area.	5.2 Social Performance Data Table

<sup>35</sup> As a small portion of the Group's e-commerce platform business involved direct operations, but the production, packaging, inventory, transportation and other stages of related products were still essentially carried out by third-party e-commerce merchants, and the Group did not engage in the product sales and transportation activities, this indicator was not applicable.

<sup>36</sup> As a small portion of the Group's e-commerce platform business involved direct operations, but the production, quality inspection, recycling procedure and other stages of related products were still essentially carried out by third-party e-commerce merchants, and the Group did not engage in the product quality inspection process and product recycling procedures, this indicator was not applicable.

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Indicators	Disclosure Requirements	Related Sections
<b>Part D: Climate-related Disclosures</b>		
<b>Governance</b>	<p>19(a) An issuer shall disclose information of the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for overseeing climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:</p> <ul style="list-style-type: none"> <li>(i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;</li> <li>(ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;</li> <li>(iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities; and</li> <li>(iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities, including whether and how related performance metrics are included in remuneration policies.</li> </ul>	<p><b>1.1 ESG Governance</b>  <b>2.1 Climate Change Response — Governance</b></p>
	<p>19(b) An issuer shall disclose the management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:</p> <ul style="list-style-type: none"> <li>(i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and</li> <li>(ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.</li> </ul>	

# Environmental, Social and Governance Report

Indicators	Disclosure Requirements	Related Sections
Strategy	<p>20 An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:</p> <ul style="list-style-type: none"> <li>(a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;</li> <li>(b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;</li> <li>(c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons — short, medium or long term — the effects of each climate-related risk and opportunity could reasonably be expected to occur; and</li> <li>(d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.</li> </ul>	<p><b>2.1 Climate Change Response — Strategy — Climate Risk and Opportunity Assessment</b></p>
	<p>21 An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:</p> <ul style="list-style-type: none"> <li>(a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain;</li> <li>(b) a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).</li> </ul>	
	<p>22(a) An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose: information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:</p> <ul style="list-style-type: none"> <li>(i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities;</li> <li>(ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect);</li> <li>(iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and</li> <li>(iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40.</li> </ul>	<p><b>2.1 Climate Change Response — Strategy — Climate Resilience</b></p>

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Indicators	Disclosure Requirements	Related Sections
	22(b) An issuer shall disclose information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	<b>2.1 Climate Change Response — Strategy — Climate Resilience</b>
	23. An issuer shall disclose information about the progress of plans disclosed in each previous Reporting Period in accordance with paragraph 22(a).	
	24(a) An issuer shall disclose following qualitative and quantitative information about: how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the Reporting Period.	<b>2.1 Climate Change Response — Strategies — Climate Risk and Opportunity Assessment</b> <b>2.1 Climate Change Response — Strategy — Climate Resilience</b>
	24(b) Information about the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	
	25(a) An issuer shall disclose following qualitative and quantitative information about: how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: <ul style="list-style-type: none"> <li>(i) its investment and disposal plans; and</li> <li>(ii) its planned sources of funding to implement its strategy.</li> </ul>	
	25(b) An issuer shall disclose following qualitative and quantitative information about: how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	
	26(a) An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose its assessment of its climate resilience as at the reporting date, which shall enable an understanding of: <ul style="list-style-type: none"> <li>(i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;</li> <li>(ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and</li> <li>(iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term.</li> </ul>	<b>2.1 Climate Change Response — Strategy — Climate Resilience</b>

# Environmental, Social and Governance Report

Indicators	Disclosure Requirements	Related Sections
	<p>26(b) An issuer shall disclose how and when the climate-related scenario analysis was carried out, including:</p> <p>(i) information about the inputs used, including:</p> <ol style="list-style-type: none"> <li>1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios;</li> <li>2) whether the analysis included a diverse range of climate related scenarios;</li> <li>3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;</li> <li>4) whether the issuer used, among its scenarios, a climate related scenario aligned with the latest international agreement on climate change;</li> <li>5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;</li> <li>6) time horizons the issuer used in the analysis;</li> <li>7) what scope of operations the issuer used in the analysis (for example, the operational locations and business units used in the analysis);</li> </ol> <p>(ii) the key assumptions the issuer made in the analysis; and</p> <p>(iii) the Reporting Period in which the climate-related scenario analysis was carried out.</p>	<p><b>2.1 Climate Change Response — Strategy — Climate Resilience</b></p>

# Environmental, Social and Governance Report

Indicators	Disclosure Requirements	Related Sections
Risk management	<p>27(a) An issuer shall disclose following information about: the processes and related policies the issuer uses to identify, assess, prioritise and monitor climate-related risks, including following information about:</p> <ul style="list-style-type: none"> <li>(i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);</li> <li>(ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;</li> <li>(iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);</li> <li>(iv) whether and how the issuer prioritises climate-related risks relative to other types of risks;</li> <li>(v) how the issuer monitors climate-related risks; and</li> <li>(vi) whether and how the issuer has changed the processes it uses compared with the previous Reporting Period.</li> </ul>	2.1 Climate Change Response — Strategy — Risk Management
	<p>27(b) The processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities).</p>	
	<p>27(c) The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.</p>	
Metrics and targets	<p>28. An issuer shall disclose its absolute gross greenhouse gas emissions generated during the Reporting Period, expressed as metric tons of CO<sub>2</sub> equivalent, classified as:</p> <ul style="list-style-type: none"> <li>(a) Scope 1 greenhouse gas emissions;</li> <li>(b) Scope 2 greenhouse gas emissions; and</li> <li>(c) Scope 3 greenhouse gas emissions.</li> </ul>	<p>2.1 Climate Change Response — Strategy — Metrics and Targets</p> <p>2.1 Climate Change Response — Strategy — Governance</p>

# Environmental, Social and Governance Report

Indicators	Disclosure Requirements	Related Sections
29	<p>An issuer shall:</p> <ul style="list-style-type: none"> <li>(a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;</li> <li>(b) disclose the approach it uses to measure its greenhouse gas emissions including: (i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions; (ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and (iii) any changes the issuer made to the measurement approach, inputs and assumptions during the Reporting Period and the reasons for those changes;</li> <li>(c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and</li> <li>(d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).</li> </ul>	<p><b>2.1 Climate Change Response — Strategy — Metrics and Targets</b>  <b>2.1 Climate Change Response — Strategy — Governance</b></p>
30.	<p>An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.</p>	
31.	<p>An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.</p>	
32.	<p>An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.</p>	
33.	<p>An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.</p>	
34.	<p>An issuer shall disclose:</p> <ul style="list-style-type: none"> <li>(a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and</li> <li>(b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.</li> </ul>	
35.	<p>An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).</p>	

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Indicators	Disclosure Requirements	Related Sections
	<p>36. An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.</p>	
	<p>37. An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:</p> <ul style="list-style-type: none"> <li>(a) the metric used to set the target;</li> <li>(b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);</li> <li>(c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);</li> <li>(d) the period over which the target applies;</li> <li>(e) the base period from which progress is measured;</li> <li>(f) milestones or interim targets (if any);</li> <li>(g) if the target is quantitative, whether the target is an absolute target or an intensity target; and</li> <li>(h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.</li> </ul>	<p><b>2.1 Climate Change Response — Strategy — Metrics and Targets</b>  <b>2.1 Climate Change Response — Strategy — Governance</b></p>
	<p>38. An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:</p> <ul style="list-style-type: none"> <li>(a) whether the target and the methodology for setting the target has been validated by a third party;</li> <li>(b) the issuer's processes for reviewing the target;</li> <li>(c) the metrics used to monitor progress towards reaching the target; and</li> <li>(d) any revisions to the target and an explanation for those revisions.</li> </ul>	<p><b>We did not conduct any third-party verifications for our set climate-related targets during the Reporting Period.</b></p>
	<p>39. An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.</p>	

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Indicators	Disclosure Requirements	Related Sections
	<p>40. For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:</p> <ul style="list-style-type: none"> <li>(a) which greenhouse gases are covered by the target;</li> <li>(b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;</li> <li>(c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target;</li> <li>(d) whether the target was derived using a sectoral decarbonisation approach; and</li> <li>(e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose: (i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits; (ii) which third-party scheme(s) will verify or certify the carbon credits; (iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and (iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).</li> </ul>	<p><b>2.1 Climate Change Response — Strategy — Metrics and Targets</b>  <b>2.1 Climate Change Response — Strategy — Governance</b></p>
	<p>41. In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of (i) cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).</p>	

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## 5.4 SASB Standard Index

Topic	Metric	Code	Corresponding Section
<b>Environmental Footprint of Hardware Infrastructure</b>	(1) Total energy consumed (2) Percentage grid electricity (3) Percentage renewable	TC-IM-130a.1	<b>2.2.1 Energy Management</b> <b>5.1 Environmental Performance Data Table</b>
	(1) Total water withdrawn (2) Total water consumed or percentage of each in regions with High or Extremely High Baseline Water Stress	TC-IM-130a.2	<b>2.2.2 Water Resource Management</b> <b>5.1 Environmental Performance Data Table</b>
	Discussion of the integration of environmental considerations into strategic planning for data center needs	TC-IM-130a.3	<b>2.2 Green Operation</b>
<b>Data Privacy &amp; Freedom of Expression</b>	Description of policies and practices relating to targeted advertising and user privacy	TC-IM-220a.1	<b>3.2 User Privacy Protection</b> <b>3.6 Platform Ecosystem Governance</b>
<b>Data Security</b>	(1) Number of data breaches; (2) Percentage involving Personally Identifiable Information (PII); (3) Number of users affected	TC-IM-230a.1	<b>3.2 User Privacy Protection</b>
	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	TC-IM-230a.2	<b>3.1 Safeguarding Information Security and Cybersecurity</b>

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Topic	Metric	Code	Corresponding Section
<b>Employee Recruitment, Inclusion &amp; Performance</b>	Employee participation rate	TC-IM-330a.2	<b>4.3 Employee Communication</b>
	Percentage of (1) gender and (2) diversity group representation for, including (a) executive management; (b) non-executive management; (c) technical employees; and (d) all other employees	TC-IM-330a.3	<b>4.1 Rights and Interests of Employees</b> <b>5.2 Social Performance Data Table</b>
<b>Intellectual Property Protection &amp; Competitive Behavior</b>	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	TC-IM-520a.1	<b>1.3 Business Ethics</b>

# Independent Auditor's Report

## To the Shareholders of Kuaishou Technology

*(incorporated in the Cayman Islands with limited liability)*

### OPINION

#### What we have audited

The consolidated financial statements of Kuaishou Technology (the “**Company**”) and its subsidiaries (collectively, the “**Group**”), which are set out on pages 272 to 365, comprise:

- the consolidated balance sheet as of December 31, 2025;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

#### Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as of December 31, 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

#### BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (“**ISAs**”). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We are independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Hong Kong Institute of Certified Public Accountants (the “**Code**”), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code.

# Independent Auditor's Report

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarized as follows:

- Revenue recognition
- Recognition of deferred tax assets

### Key Audit Matter

### How our audit addressed the Key Audit Matter

#### Revenue recognition

Refer to notes 2.1.10 and 6 to the consolidated financial statements.

The Group mainly generates revenues from provisions of online marketing services, live streaming and other services including services for e-commerce business through the Group's platform ("Platform"). Revenues of RMB142.8 billion were recognized for the year ended December 31, 2025.

Revenues from online marketing services derive primarily from performance-based marketing services and display-based marketing services. The revenue is recognized upon the time when the related services are delivered by the Group or over the display period.

Revenues from live streaming derive from sales of virtual items to users of the Platform which can be consumed on the Platform. The revenue is recognized when the consumable virtual items are consumed.

Revenues from other services mainly derive from e-commerce related services such as allowing merchants to promote and sell goods on the Platform and charging commissions on the sales of goods. The revenue from e-commerce related services is recognized when sale transaction of goods is completed.

We performed the following procedures to address the key audit matter:

- Evaluated the appropriateness of the revenue recognition policies as adopted by the Group;
- Understood and evaluated the key internal controls in relation to recognition of revenue from online marketing services, live streaming and e-commerce related services;
- Understood and tested the general control environment of the IT Systems;
- Tested the key automated controls in relation to recognition of revenue of the IT Systems, including testing the delivery of online marketing services, the top-ups for purchase of virtual items, the consumption of virtual items by the users of the Platform and the records of the status of sale transaction of goods related to e-commerce services, in accordance with the pre-set system logics;
- By using computer-assisted audit techniques, examined online marketing service delivery, the virtual items consumption and e-commerce business order and related delivery records in the IT systems at transaction level on a sampling basis;

## Independent Auditor's Report

### Key Audit Matter

We focused on this area as significant efforts were spent on auditing the revenues recognized from online marketing services, live streaming and e-commerce related services due to the magnitude of the revenue amount and the significant volume of revenue transactions processed through the information technology systems (collectively the “**IT Systems**”) in which online marketing services and e-commerce related services were delivered and the virtual items was sold and consumed.

### How our audit addressed the Key Audit Matter

- By using computer-assisted audit techniques, tested the mathematic accuracy and the completeness of the system generated reports of different services that summarized the amount of revenues;
- Performed confirmation procedures for trade receivables from online marketing services and related revenues on a sampling basis; and
- Compared the total amount of cash collections recorded in the general ledger against the cash collection amounts as recorded in the IT Systems for the amounts of top-ups received from customers. We also tested, on a sampling basis, the existence, amount and the timing of cash collections by checking to the external supporting documents for the related cash receipts.

Based on the procedures performed, we considered that the revenues from online marking services, live streaming and other services including e-commerce related services were supported by the evidence we obtained.

# Independent Auditor's Report

## Key Audit Matter

## How our audit addressed the Key Audit Matter

### Recognition of deferred tax assets

Refer to notes 2.1.8, 12 and 30 to the consolidated financial statements.

As of December 31, 2025, the Group had deferred tax assets amounting to approximately RMB5.6 billion. In addition, the unrecognized deferred tax assets for tax losses as of December 31, 2025 amounted to RMB3.9 billion.

Deferred tax assets are recognized only if it is probable that future taxable profits will be available to utilize the deductible temporary differences and tax losses.

We focused on this area because the estimation of future taxable profits was subject to high degree of uncertainty. The recognition of deferred tax assets involves significant judgment and estimates by management as to the likelihood and the period of its realization which is dependent on a number of factors, including whether there will be sufficient future taxable profits.

We performed the following procedures to address the key audit matter:

- Obtained an understanding of the management's assessment process and related internal control of recognition of deferred tax assets and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity, subjectivity, changes and susceptibility to management bias;
- Obtained management's calculation sheets of deferred tax assets and tested the accuracy of the calculation sheets;
- Tested and agreed available deductible tax losses, including the respective expiry periods, to tax returns of the relevant subsidiaries on a sampling basis;
- Assessed the appropriateness of the input data used by management in estimating future taxable profits, including the significant assumptions of forecast revenue growth rates, profitability and R&D super deduction, etc, on a sampling basis. We reconciled the input data of forecast revenue growth rates and forecast profitability to the management's future profits forecast, strategic plan and tax planning strategies, and compared the input data with the historical data and industry data;
- Evaluated the reasonableness of the recognition of deferred tax assets by comparing the estimated future taxable profits to deductible temporary differences and tax losses as of December 31, 2025; and
- Tested the calculation of deferred tax assets by reference to tax rates enacted or substantively enacted at the balance sheet date.

# Independent Auditor's Report

## Key Audit Matter

## How our audit addressed the Key Audit Matter

Based on the above procedures performed, we considered that the recognition of deferred tax assets remained appropriate and the significant assumptions and data used by management in the assessment in relation to the recognition of deferred tax assets were supported by the evidence we obtained.

## OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

# Independent Auditor's Report

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

## Independent Auditor's Report

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Leung Wai Kin.

**PricewaterhouseCoopers**  
*Certified Public Accountants*

Hong Kong, March 25, 2026

## Consolidated Income Statement

	Note	Year ended December 31,	
		2025 RMB'Million	2024 RMB'Million
<b>Revenues</b>	6	<b>142,776</b>	126,898
Cost of revenues	8	<b>(64,227)</b>	(57,606)
<b>Gross profit</b>		<b>78,549</b>	69,292
Selling and marketing expenses	8	<b>(42,229)</b>	(41,105)
Administrative expenses	8	<b>(3,343)</b>	(2,916)
Research and development expenses	8	<b>(14,491)</b>	(12,199)
Other income		<b>170</b>	533
Other gains, net	7	<b>1,981</b>	1,682
<b>Operating profit</b>		<b>20,637</b>	15,287
Finance (expense)/income, net	10	<b>(149)</b>	236
Share of losses of investments accounted for using the equity method		<b>(16)</b>	(29)
<b>Profit before income tax</b>		<b>20,472</b>	15,494
Income tax expenses	12	<b>(1,848)</b>	(150)
<b>Profit for the year</b>		<b>18,624</b>	15,344
<b>Attributable to:</b>			
— Equity holders of the Company		<b>18,617</b>	15,335
— Non-controlling interests		<b>7</b>	9
		<b>18,624</b>	15,344
<b>Earnings per share attributable to equity holders of the Company (expressed in RMB per share)</b>	13		
Basic earnings per share		<b>4.35</b>	3.56
Diluted earnings per share		<b>4.23</b>	3.48

The notes on pages 280 to 365 are an integral part of these consolidated financial statements.

## Consolidated Statement of Comprehensive Income

	Note	Year ended December 31,	
		2025 <i>RMB' Million</i>	2024 <i>RMB' Million</i>
<b>Profit for the year</b>		<b>18,624</b>	15,344
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Share of other comprehensive income/(loss) of investments accounted for using the equity method		<b>1</b>	(3)
Currency translation differences		<b>(1,503)</b>	1,063
<i>Items that may be subsequently reclassified to profit or loss</i>			
Currency translation differences		<b>1,173</b>	(805)
<b>Other comprehensive (loss)/income for the year, net of taxes</b>		<b>(329)</b>	255
<b>Total comprehensive income for the year</b>		<b>18,295</b>	15,599
<b>Attributable to:</b>			
— Equity holders of the Company		<b>18,288</b>	15,590
— Non-controlling interests		<b>7</b>	9
		<b>18,295</b>	15,599

The notes on pages 280 to 365 are an integral part of these consolidated financial statements.

## Consolidated Balance Sheet

		As of December 31,	
	Note	2025 RMB'Million	2024 RMB'Million
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	14	22,869	14,831
Right-of-use assets	15	8,545	8,891
Intangible assets	16	986	1,059
Investments accounted for using the equity method		149	166
Financial assets at fair value through profit or loss	18	24,100	24,430
Other financial assets at amortized cost	18	35	62
Deferred tax assets	30	5,585	6,604
Long-term time deposits	21	22,015	19,856
Other non-current assets		2,671	1,105
		<u>86,955</u>	<u>77,004</u>
<b>Current assets</b>			
Trade receivables	19	8,127	6,674
Prepayments, other receivables and other current assets	20	7,028	4,646
Financial assets at fair value through profit or loss	18	42,324	27,050
Other financial assets at amortized cost	18	9	233
Short-term time deposits	21	8,630	11,522
Restricted cash	21	251	47
Cash and cash equivalents	21	11,180	12,697
		<u>77,549</u>	<u>62,869</u>
<b>Total assets</b>		<u><b>164,504</b></u>	<u><b>139,873</b></u>

## Consolidated Balance Sheet

		As of December 31,	
	Note	2025 RMB'Million	2024 RMB'Million
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital	22	—	—
Share premium	22	265,628	268,733
Treasury shares	22	(602)	(341)
Other reserves	23	38,873	35,776
Accumulated losses		(224,341)	(242,164)
		<b>79,558</b>	62,004
<b>Non-controlling interests</b>		<b>26</b>	20
<b>Total equity</b>		<b>79,584</b>	62,024
<b>Non-current liabilities</b>			
Borrowings	26	11,098	11,100
Financial liabilities at fair value through profit or loss		30	124
Lease liabilities	15	5,977	6,765
Deferred tax liabilities	30	241	13
Other non-current liabilities		39	19
		<b>17,385</b>	18,021
<b>Current liabilities</b>			
Accounts payables	27	27,209	27,470
Other payables and accruals	28	29,160	23,113
Advances from customers	29	4,848	4,696
Borrowings	26	1,968	—
Financial liabilities at fair value through profit or loss		—	5
Income tax liabilities		388	873
Lease liabilities	15	3,962	3,671
		<b>67,535</b>	59,828
<b>Total liabilities</b>		<b>84,920</b>	77,849
<b>Total equity and liabilities</b>		<b>164,504</b>	139,873

The notes on pages 280 to 365 are an integral part of these consolidated financial statements.

The consolidated financial statements on pages 272 to 365 were approved by the Board of Directors on March 25, 2026 and were signed on its behalf by:

**CHENG Yixiao**  
Director

**SU Hua**  
Director

## Consolidated Statement of Changes in Equity

	Note	Attributable to equity holders of the Company							
		Share capital RMB'Million	Share premium RMB'Million	Treasury shares RMB'Million	Other reserves RMB'Million	Accumulated losses RMB'Million	Subtotal RMB'Million	Non-controlling interests RMB'Million	Total RMB'Million
<b>Balance at January 1, 2025</b>		—	268,733	(341)	35,776	(242,164)	62,004	20	62,024
Profit for the year		—	—	—	—	18,617	18,617	7	18,624
<b>Other comprehensive income</b>									
Share of other comprehensive income of investments accounted for using the equity method		—	—	—	1	—	1	—	1
Currency translation differences	23	—	—	—	(330)	—	(330)	—	(330)
<b>Total comprehensive (loss)/income for the year</b>		—	—	—	(329)	18,617	18,288	7	18,295
Share of other changes in net assets of investments accounted for using the equity method		—	—	—	2	—	2	—	2
<b>Transactions with owners in their capacity as owners</b>									
Share-based compensation	25	—	—	—	2,630	—	2,630	—	2,630
Exercise of share options and vesting of restricted share units ("RSUs")	22	—	1,308	—	—	—	1,308	—	1,308
Dividends	24	—	(1,809)	—	—	—	(1,809)	—	(1,809)
Appropriations to statutory reserves	23	—	—	—	794	(794)	—	—	—
Repurchase of shares (to be canceled)	22	—	—	(2,865)	—	—	(2,865)	—	(2,865)
Cancellation of shares	22	—	(2,604)	2,604	—	—	—	—	—
Deregistration of a subsidiary		—	—	—	—	—	—	(1)	(1)
<b>Total transactions with owners in their capacity as owners</b>		—	(3,105)	(261)	3,424	(794)	(736)	(1)	(737)
<b>Balance at December 31, 2025</b>		—	265,628	(602)	38,873	(224,341)	79,558	26	79,584

## Consolidated Statement of Changes in Equity

	Attributable to equity holders of the Company								
	Note	Share capital	Share premium	Treasury shares	Other reserves	Accumulated losses	Subtotal	Non-controlling interests	Total
		RMB'Million	RMB'Million	RMB'Million	RMB'Million	RMB'Million	RMB'Million	RMB'Million	RMB'Million
<b>Balance at January 1, 2024</b>		—	273,459	(88)	33,183	(257,491)	49,063	11	49,074
Profit for the year		—	—	—	—	15,335	15,335	9	15,344
<b>Other comprehensive income</b>									
Share of other comprehensive loss of investments accounted for using the equity method		—	—	—	(3)	—	(3)	—	(3)
Currency translation differences	23	—	—	—	258	—	258	—	258
<b>Total comprehensive income for the year</b>		—	—	—	255	15,335	15,590	9	15,599
Share of other changes in net assets of investments accounted for using the equity method		—	—	—	(19)	—	(19)	—	(19)
<b>Transactions with owners in their capacity as owners</b>									
Share-based compensation	25	—	—	—	2,349	—	2,349	—	2,349
Exercise of share options and vesting of RSUs	22	—	29	—	—	—	29	—	29
Appropriations to statutory reserves	23	—	—	—	8	(8)	—	—	—
Repurchase of shares (to be canceled)		—	—	(5,008)	—	—	(5,008)	—	(5,008)
Cancellation of shares	22	—	(4,755)	4,755	—	—	—	—	—
<b>Total transactions with owners in their capacity as owners</b>		—	(4,726)	(253)	2,357	(8)	(2,630)	—	(2,630)
<b>Balance at December 31, 2024</b>		—	268,733	(341)	35,776	(242,164)	62,004	20	62,024

The notes on pages 280 to 365 are an integral part of these consolidated financial statements.

## Consolidated Statement of Cash Flows

	Note	Year ended December 31,	
		2025 RMB'Million	2024 RMB'Million
<b>Cash flows from operating activities</b>			
Cash generated from operations	31(a)	28,108	30,808
Income tax paid		(1,392)	(1,021)
<b>Net cash generated from operating activities</b>		<b>26,716</b>	<b>29,787</b>
<b>Cash flows from investing activities</b>			
Purchase of/prepayments for property, equipment and intangible assets		(14,942)	(8,063)
Proceeds from disposal of property, equipment and intangible assets		22	17
Purchase of investments in financial assets at fair value through profit or loss		(130,373)	(96,665)
Proceeds from disposal of investments in financial assets at fair value through profit or loss		117,771	77,882
Proceeds from disposal of investments in other financial assets at amortized cost		254	984
Purchase of time deposits with initial terms over three months		(14,107)	(24,103)
Proceeds from maturity of time deposits with initial terms over three months		14,819	12,489
Interest income received		800	772
Repayment of loans by other parties		—	10
Loans to a related party		(500)	—
<b>Net cash used in investing activities</b>		<b>(26,256)</b>	<b>(36,677)</b>

## Consolidated Statement of Cash Flows

	Note	Year ended December 31,	
		2025 <i>RMB' Million</i>	2024 <i>RMB' Million</i>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		4,422	12,379
Repayments of borrowings and related interest		(2,823)	(1,454)
Payments for principal elements of lease and related interest		(3,823)	(3,228)
Proceeds from exercise of share options and vesting of RSUs		1,301	29
Proceeds received under notes payable arrangement		25,884	14,892
Proceeds received from notes receivable factoring to banks		32,964	9,734
Payments for principal of matured notes and related interest		(55,123)	(20,754)
Payments for shares repurchase		(2,927)	(4,884)
Dividends paid to the Company's shareholders		(1,800)	—
		(1,925)	6,714
<b>Net cash (used in)/generated from financing activities</b>			
<b>Net decrease in cash and cash equivalents</b>			
Cash and cash equivalents at the beginning of the year	21(a)	12,697	12,905
Effects of exchange rate changes on cash and cash equivalents		(52)	(32)
		(1,465)	(176)
<b>Cash and cash equivalents at the end of the year</b>	21(a)	<b>11,180</b>	<b>12,697</b>

The notes on pages 280 to 365 are an integral part of these consolidated financial statements.

# Notes to the Consolidated Financial Statements

## 1 GENERAL INFORMATION

Kuaishou Technology (the “**Company**”) was incorporated in the Cayman Islands on February 11, 2014 as an exempted company with limited liability. The registered office is at PO Box 309, Uglund House, Grand Cayman, KY1-1104, Cayman Islands. The Company’s Class B Shares have been listed on the Main Board of the Hong Kong Stock Exchange.

The Company is an investment holding company. The Company and its subsidiaries, including structured entities (collectively, the “**Group**”), provide online marketing services, live streaming and other services to its customers.

The consolidated financial statements are presented in Renminbi (“**RMB**”), unless otherwise stated.

## 2 SUMMARY OF ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the consolidated financial statements are set out as below. These policies have been consistently applied throughout all the years presented, unless otherwise stated.

### 2.1 Summary of material accounting policies

#### 2.1.1 Basis of preparation and change in accounting policy and disclosures

The consolidated financial statements of the Group have been prepared in accordance with all applicable IFRS Accounting Standards and disclosure requirements of the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which are measured at fair value.

The preparation of the consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

# Notes to the Consolidated Financial Statements

## 2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

### 2.1 Summary of material accounting policies (Continued)

#### 2.1.1 Basis of preparation and change in accounting policy and disclosures (Continued)

(a) *Amendments adopted by the Group*

The following amendment was mandatory for the first time for the Group's financial year beginning on January 1, 2025 and was applicable for the Group:

- Lack of exchangeability — Amendments to IAS 21

The adoption of these amendments did not have significant impact on the results and financial position of the Group.

(b) *New standards and amendments not yet adopted*

Certain new standards and amendments as set out below which may be applicable to the Group have been issued but are not yet effective for the financial year beginning on January 1, 2025 and have not been early adopted by the Group. These new standards and amendments are not expected to have a material impact on the Group's consolidated financial position and performance, except for IFRS 18 which will have an impact on presentation and disclosure in financial statements. The Group will continue to assess the effects of these new and amended standards.

<b>New standards and amendments</b>	<b>Effective for financial years beginning on or after</b>
Classification and Measurement of Financial Instruments — Amendments to IFRS 9 and IFRS 7	January 1, 2026
Annual improvements to IFRS — Volume 11	January 1, 2026
Presentation and Disclosure in Financial Statements — IFRS 18	January 1, 2027

# Notes to the Consolidated Financial Statements

## 2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

### 2.1 Summary of material accounting policies (Continued)

#### 2.1.2 Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses (if any). Historical cost includes expenditures that are directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the consolidated income statement during the financial period in which they are incurred.

Depreciation on property and equipment is calculated using the straight-line method to allocate their cost, net of residual values, over their estimated useful lives, as follows:

- Buildings 19–49 years
- Servers, computers and equipment 3–5 years
- Office equipment 3–5 years
- Leasehold improvements The shorter of the remaining term of the lease or the estimated useful lives of the assets

Property and equipment arising from business acquisition are depreciated over the remaining useful life.

The residual values and useful lives of property and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period.

Construction in progress mainly represents buildings and leasehold improvements under construction, which is stated at actual construction costs less any impairment loss. Construction in progress is transferred to appropriate categories of property and equipment when completed and ready for use.

The carrying amount of property and equipment is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within "other gains, net" in the consolidated income statement.

# Notes to the Consolidated Financial Statements

## 2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

### 2.1 Summary of material accounting policies (Continued)

#### 2.1.3 Intangible assets

##### (a) Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the aggregate purchase consideration transferred, the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses (if any).

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units (“CGUs”), or group of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

The carrying value of the CGUs containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognized immediately in the consolidated income statement as an expense and is not subsequently reversed.

##### (b) Trademarks and domain names, licenses and copyrights, software

Separately acquired trademarks, domain names, internet audio/video program transmission licenses, operating licenses, copyrights and software are initially recognized and measured at historical cost. The assets acquired in a business combination are recognized at fair value at the acquisition date. They have a finite useful life and are carried at cost less accumulated amortization and accumulated impairment losses (if any).

Costs associated with maintaining software programs are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognized as intangible assets, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. For details, refer to Note 2.1.3(c).

# Notes to the Consolidated Financial Statements

## 2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

### 2.1 Summary of material accounting policies (Continued)

#### 2.1.3 Intangible assets (Continued)

##### (c) Research and development

Research expenditures are recognized as an expense as incurred. Costs incurred on development projects are capitalized as intangible assets when recognition criteria are met, including (a) it is technically feasible to complete the software so that it will be available for use; (b) management intends to complete the software and use or sell it; (c) there is an ability to use or sell the software; (d) it can be demonstrated how the software will generate probable future economic benefits; (e) adequate technical, financial and other resources to complete the development and to use or sell the software are available; and (f) the expenditure attributable to the software during its development can be reliably measured. Other development costs that do not meet those criteria are expensed as incurred.

There were no development costs meeting these criteria and capitalized as intangible assets for the years ended December 31, 2025 and 2024.

##### (d) Amortization methods and periods

Length of estimated useful life is determined to be the shorter of the period of contractual rights or estimated period during which such intangible assets can bring economic benefits to the Group.

The Group amortizes intangible assets with a finite useful life using the straight-line method over the following periods:

Licenses and copyrights	2–10 years	Shorter of contractual license and copyrights period or the estimated period during which such intangible assets can bring economic benefits
Trademarks and domain name	2–10 years	The period of effective registration during which such trademark and domain name can bring economic benefits
Software	2–7 years	Shorter of the period of contractual rights or estimated period during which such software can bring economic benefits
Others	3–4 years	Shorter of the period of contractual rights or estimated period during which such assets can bring economic benefits

# Notes to the Consolidated Financial Statements

## 2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

### 2.1 Summary of material accounting policies (Continued)

#### 2.1.4 Impairment of non-financial assets

Goodwill is not subject to amortization and is tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

#### 2.1.5 Investments and other financial assets

##### (a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured at fair value (either through other comprehensive income (“**OCI**”) or through profit or loss); and
- those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (“**FVOCI**”). For investment in derivatives, this will depend on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

# Notes to the Consolidated Financial Statements

## 2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

### 2.1 Summary of material accounting policies (Continued)

#### 2.1.5 Investments and other financial assets (Continued)

(b) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) *Measurement*

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (“**FVPL**”), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are immediately expensed.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

(i) *Debt instruments*

Subsequent measurement of debt instruments depends on the Group’s business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortized cost:** Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortized cost. Interest income from these financial assets are included in finance income and other income using the effective interest method. Any gain or loss arising on derecognition is recognized directly in the consolidated income statement together with foreign exchange gains and losses.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognized in the consolidated income statement. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in finance income using the effective interest method.

# Notes to the Consolidated Financial Statements

## 2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

### 2.1 Summary of material accounting policies (Continued)

#### 2.1.5 Investments and other financial assets (Continued)

(c) *Measurement (Continued)*

(i) Debt instruments (Continued)

- FVPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized and presented net in the consolidated income statement within “other gains, net” in the period in which it arises.

(ii) Equity instruments

The Group subsequently measures all equity investments at fair value, except the investment accounted for using equity method. Changes in the fair value of financial assets at fair value through profit or loss are recognized in “other gains, net” in the consolidated income statement.

(iii) Derivative financial instruments

Derivatives are initially measured at FVPL on the date a derivative agreement is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative, which are recognized under “financial assets at fair value through profit or loss” and “financial liabilities at fair value through profit or loss” in the consolidated balanced sheet, respectively.

Changes in the fair value of any derivative that does not qualify for hedge accounting criteria are recognized immediately in the consolidated income statement and included in net foreign exchange (losses)/gains and net fair value gains on financial assets at fair value through profit or loss of “other gains, net” as applicable.

# Notes to the Consolidated Financial Statements

## 2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

### 2.1 Summary of material accounting policies (Continued)

#### 2.1.5 Investments and other financial assets (Continued)

##### (d) Impairment

The Group mainly has two types of financial assets that are subject to IFRS 9's expected credit losses (the "ECL") model (Note 3.1(b)):

- Trade receivables; and
- Other receivables.

The Group assesses on a forward-looking basis of the expected credit losses associated with its financial assets carried at amortized cost.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables. While cash and cash equivalents, restricted cash, time deposits and other financial assets at amortized cost are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

#### 2.1.6 Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection of trade receivables is expected within one year (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognized at fair value. They are subsequently measured at amortized cost using the effective interest method, less loss allowance. See Note 19 for further information about the Group's trade receivables and Note 2.1.5 (d) for a description of the Group's impairment policies.

# Notes to the Consolidated Financial Statements

## 2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

### 2.1 Summary of material accounting policies (Continued)

#### 2.1.7 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. The borrowings are subsequently carried at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the consolidated income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are derecognized when the obligation specified in the contract is extinguished, canceled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated income statement.

The borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period.

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification.

All of the borrowings costs are recognized in the consolidated income statement in the period when they are incurred.

#### 2.1.8 Current and deferred income tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses.

# Notes to the Consolidated Financial Statements

## 2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

### 2.1 Summary of material accounting policies (Continued)

#### 2.1.8 Current and deferred income tax (Continued)

(a) *Current income tax*

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries or jurisdiction where the Company, its subsidiaries and structured entities operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. The Group establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) *Deferred income tax*

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax assets is realized or the deferred tax liabilities is settled.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those deductible temporary differences and tax losses.

Deferred tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred income tax are recognized in the consolidated income statement, except to the extent that they relate to items recognized in OCI or directly in equity. In this case, the tax is recognized in OCI or directly in equity.

# Notes to the Consolidated Financial Statements

## 2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

### 2.1 Summary of material accounting policies (Continued)

#### 2.1.9 Share-based compensation

The Group has operated the Pre-IPO ESOP Plan, the Post-IPO Share Option Scheme, the Post-IPO RSU Scheme and 2023 Share Incentive Scheme (together, the “**Share Incentive Plan**”), under which the Group receives services from employees, directors and other eligible persons as consideration for equity instruments (including share options and RSUs) of the Company.

(i) Share options

For share options, the total amount to be expensed is determined by reference to the fair value of the options granted by using Binomial models:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

(ii) RSUs

For RSUs, the total amount to be expensed is determined by reference to the fair value of the Company’s shares at the grant date.

Share-based compensation expense, when recognized, is charged to the consolidated income statement with the corresponding entry to equity or liability. The liability is remeasured at each reporting date up to and at the date of settlement.

The total expense of share options and RSUs is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied, using accelerated method. Under this method, each vesting installment of a graded vesting award is treated as a separate share-based award, and accordingly each vesting installment is separately measured and attributed to expense, resulting in accelerated recognition of share-based compensation expenses. At the end of each period, the Company revises its estimates of the number of equity instruments that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in the consolidated income statement, with a corresponding adjustment to equity.

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognizing the expense during the period between service commencement date and grant date.

# Notes to the Consolidated Financial Statements

## 2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

### 2.1 Summary of material accounting policies (Continued)

#### 2.1.10 Revenue recognition

The Group derives revenue from online marketing services, live streaming and other services. The Group recognizes revenue when or as the control of the promised goods or services is transferred to a customer, net of value-added taxes (“VAT”), rebates and certain sales incentives. If control of the services transfers over time, revenue is recognized over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognized at a point in time when the customer obtains control of the goods and services.

Contracts with customers may include multiple performance obligations. For such arrangements, the Group allocates transaction price to each performance obligation based on its relative standalone selling price. The Group generally determines standalone selling prices based on the prices charged to customers.

(a) *The accounting policy for the Group’s principal revenue sources*

(i) Online marketing services

The Group offers diversified online marketing solutions primarily including performance-based marketing services that are based on actual performance measurement and display-based marketing services that are display of marketing contents for an agreed period of time. The Group provides rebates to customers including agencies based on agreed rebate rates and estimated revenue volume, which are accounted for as variable consideration. Revenue is recognized based on the price charged to customers, net of rebates provided to customers.

# Notes to the Consolidated Financial Statements

## 2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

### 2.1 Summary of material accounting policies (Continued)

#### 2.1.10 Revenue recognition (Continued)

(a) *The accounting policy for the Group's principal revenue sources (Continued)*

(i) Online marketing services (Continued)

To fulfill contracts with certain customers, the Group enters into cooperation agreements with third-party platforms and places the Group customers' marketing contents on those third-party platforms. For the services mentioned above, the Group is the principal for fulfilling these marketing service contracts as it has obtained controls over the third-party platform services through cooperation contracts and, in some cases, has integrated with other services before they are transferred to the Group's customers. The Group is also primarily responsible for fulfilling these marketing services as it is the only party that the Group's customers entered into agreements with. As such, the Group recognizes revenues from contracts with customers on a gross basis and records charges from third-party platforms as cost of revenues.

#### *Performance-based marketing services*

The Group provides performance-based marketing services which allow customers to promote on the Group's mobile platforms and third parties' internet properties. Performance-based marketing services are primarily presented and delivered in the way of short video or live streaming exposure with clickable thumbnails or marketing contents. Revenue from performance-based marketing services is recognized when relevant specific performance measures are fulfilled.

#### *Display-based marketing services*

Display-based marketing services allow customers to promote in the form of opening-page splash, traditional banners and logos, etc. on various interfaces of the platform. The revenue is recognized ratably over the period that the marketing content is displayed. Generally, the terms of these display-based marketing services are short.

# Notes to the Consolidated Financial Statements

## 2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

### 2.1 Summary of material accounting policies (Continued)

#### 2.1.10 Revenue recognition (Continued)

(a) *The accounting policy for the Group's principal revenue sources (Continued)*

(ii) Live streaming

The Group operates and maintains mobile platforms where users can enjoy live stream performances provided by streamers and interact with them on a real-time basis for free. The Group operates a virtual item system, under which viewers can purchase virtual items and present them as gifts to streamers to show their support and appreciation. Revenues from live streaming derive from sales of virtual items on the platform, and viewers are the Group's customers. The Group produce and deliver the virtual items. Sales of virtual items are recognized as revenues when they are gifted by viewers to streamers, as the Group has no further obligations related to virtual items once they are gifted to streamers. The proceeds received from the sales of virtual items before they are gifted by viewers to streamers are recorded as "advances from customers".

In order to attract streamers to the platforms, the Group shares revenues with the streamers in accordance with the agreements with them.

The Group has evaluated and concluded that it is the principal for the sales of the virtual items on the platforms. The Group produces and controls virtual items before they are transferred to customers and the Group set the prices of virtual items. Therefore, revenue from the sales of virtual items is recorded on a gross basis and the revenue sharing paid to streamers based on the predetermined percentage in the agreements is recognized as "cost of revenues" in the consolidated income statement.

(iii) Other services

Other services revenues primarily includes revenue from e-commerce business, online games and other value-added services, including Kling AI. For the e-commerce business, the Group allows merchants to promote and sell goods on its platform and charges commissions for the sales of goods completed through its platform based on agreed commission rates. The Group does not take controls of goods sold through its platform. Commission revenue related to e-commerce business is recognized at a point in time when the underlying transaction is completed. For online games and other value-added services, revenues are recognized when the Group has satisfied the performance obligations under the service contracts.

# Notes to the Consolidated Financial Statements

## 2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

### 2.1 Summary of material accounting policies (Continued)

#### 2.1.10 Revenue recognition (Continued)

##### (b) Incentives and coupons

In order to promote its platform and attract more users, the Group has discretion in providing various types of incentives offered to users in the form of cash incentives, red packets, coupons, etc. Evaluations of the varying features of different incentive programs are made to determine whether incentives offered represent consideration payable to customers. Such evaluations include the consideration of whether the users would be considered as the Group's customers.

The incentives are awarded to users upon their completion of certain tasks. The incentives are recorded as reduction of revenue if there is no distinct service identified and the incentives are related to past, current or future revenues, such as reward to customers, and coupons to be used in future transactions, etc. Incentives for distinct services received from the users such as inviting friends to download or log into Kuaishou's platforms, publishing or watching short videos which have marketing contents, etc., are recorded as "selling and marketing expenses".

##### (c) Contract balances

When either party to a customer contract has performed, the Group presents the contract in the balance sheet as a contract asset or a contract liability, depending on the relationship between the Group's performance and the customer's payment. Contract balances include trade receivables and advances from customers.

A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of the consideration is due.

Payment terms and conditions vary by contract and service type. A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration from the customer.

# Notes to the Consolidated Financial Statements

## 2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

### 2.1 Summary of material accounting policies (Continued)

#### 2.1.10 Revenue recognition (Continued)

(d) *Practical expedients and exemptions*

The Group has elected to use the practical expedient to not disclose the remaining performance obligations for contracts that have durations of one year or less, as substantially all of the Group's contracts have duration of one year or less.

The revenue standard requires the Group to recognize an asset for the incremental costs of obtaining a contract with a customer if the benefit of those costs is expected to be longer than one year. The Group has determined that sales commission for sales personnel meet the definition of incremental costs of obtaining a contract. However, the Group applies a practical expedient to expense the costs as incurred for costs to obtain a contract with a customer when the amortization period would have been one year or less.

(e) *Financing components*

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group has applied the practical expedient of not to adjust any of the transaction prices for the time value of money.

#### 2.1.11 Earnings per share

Basic earnings per share is calculated by dividing:

- (a) the earnings attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares; and
- (b) by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- (a) the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- (b) the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

# Notes to the Consolidated Financial Statements

## 2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

### 2.1 Summary of material accounting policies (Continued)

#### 2.1.12 Leases

The Group, as a lessee, leases internet data centers, office buildings and land. Lease contracts other than land are typically made for fixed periods of several months to around 13 years. Lease is recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments (including in-substance fixed payments). Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the consolidated income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liabilities;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on the method which the asset's future economic benefits are expected to be consumed. If the Group is reasonably certain to exercise a purchase option, the right-of-use assets are depreciated over the underlying asset's useful life.

Payments associated with short-term leases is recognized on a straight-line basis as an expense in the consolidated income statement. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

# Notes to the Consolidated Financial Statements

## 2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

### 2.2 Summary of other accounting policies

#### 2.2.1 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet and consolidated statement of changes in equity respectively.

#### (a) Subsidiaries controlled through Contractual Arrangements

In order to comply with the People's Republic of China ("PRC") laws and regulations which prohibit or restrict foreign ownership of companies involved in provision of internet content and other restricted businesses, the Group operates its website and other restricted businesses in the PRC through certain PRC operating entities, which are held by registered shareholders ("**Nominee Shareholders**"). The Group signed contractual arrangements with the PRC operating entities ("**Contractual Arrangements**"). The Contractual Arrangements include exclusive technical consultation and service agreements, exclusive option agreements, equity pledge agreements and powers of attorney, which enable the Group to:

- govern the financial and operating policies of the PRC operating entities;
- exercise equity holder voting rights of the PRC operating entities;
- receive substantially all of the economic interest returns generated by the PRC operating entities in consideration for the technical support, consulting and other services provided exclusively by the WFOE, at the WFOE's discretion;
- obtain an irrevocable and exclusive right to purchase part or all of the equity interests in the PRC operating entities at any time and from time to time, at the minimum consideration permitted by the relevant law in China at the time of transfer; and

# Notes to the Consolidated Financial Statements

## 2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

### 2.2 Summary of other accounting policies (Continued)

#### 2.2.1 Subsidiaries (Continued)

##### (a) Subsidiaries controlled through Contractual Arrangements (Continued)

- obtain a pledge over all of its equity interests from its respective Nominee Shareholders as collateral for all of the PRC entities' payments due to the Group to secure performance of entities' obligation under the Contractual Arrangements.

Accordingly, the Group has rights to control these entities. As a result, they are presented as entities controlled by the Group.

##### (b) Business combination

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gain or loss arising from such remeasurement is recognized in the consolidated income statement.

# Notes to the Consolidated Financial Statements

## 2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

### 2.2 Summary of other accounting policies (Continued)

#### 2.2.1 Subsidiaries (Continued)

(c) *Company's separate financial statements*

Investments in subsidiaries are accounted for at cost less impairment. Cost includes directly attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

#### 2.2.2 Associates

Associates are all entities over which the Group has significant influence but not control or joint control. The Group's investments in associates in the form of convertible redeemable preferred shares are accounted as financial assets measured at FVPL. All investments in associates in the form of ordinary shares with significant influence are accounted for using the equity method of accounting, after initially being recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in the consolidated income statement, and the Group's share of movements in OCI of the investee in OCI. Dividends received or receivable from associates are recognized as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Group determines at each reporting date whether there is any objective evidence that investments accounted for using the equity method are impaired. If this is the case, the Group provides impairment as the difference between the recoverable amount of the investment and its carrying value and recognizes the amount in "other gains, net" in the consolidated income statement.

# Notes to the Consolidated Financial Statements

## 2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

### 2.2 Summary of other accounting policies (Continued)

#### 2.2.2 Associates (Continued)

Gains or losses on dilution of equity interest in the associate is recognized in the consolidated income statement. If the ownership interest in the associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognized in OCI are reclassified to income statement where appropriate.

#### 2.2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to 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.

#### 2.2.4 Foreign currency translation

##### (a) Functional and presentation currency

Items included in the financial information of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “**functional currency**”). The functional currency of the Company and certain of its overseas subsidiaries is USD. The Company’s primary subsidiaries and structured entities are incorporated in the PRC and for these subsidiaries and structured entities, RMB is their functional currency. The Group’s presentation currency is RMB.

##### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated income statement on a net basis within “other gains, net”.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gains or losses. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at FVPL are recognized in consolidated income statement as part of the “other gains, net”.

# Notes to the Consolidated Financial Statements

## 2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

### 2.2 Summary of other accounting policies (Continued)

#### 2.2.4 Foreign currency translation (Continued)

##### (c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting currency translation differences are recognized in OCI.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to OCI.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

#### 2.2.5 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where the Group currently has a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

#### 2.2.6 Cash and cash equivalents and restricted cash

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash at bank, time deposits with initial terms within three months, deposits held at call with banks and cash held in other financial institutions that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash that is restricted from withdrawal, from use or from being pledged as security is reported separately on the face of the consolidated balance sheet, and is not included in the total cash and cash equivalents in the consolidated statement of cash flows.

# Notes to the Consolidated Financial Statements

## 2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

### 2.2 Summary of other accounting policies (Continued)

#### 2.2.7 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or share options are shown in equity as a deduction from the proceeds.

#### 2.2.8 Repurchase of share

Where the Group repurchases the Company's ordinary shares, the consideration paid, including any directly attributable incremental costs, is deducted from equity attributable to equity holders of the Company as treasury shares until the ordinary shares are canceled or reissued.

#### 2.2.9 Accounts and other payables

Accounts and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Accounts and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

#### 2.2.10 Employee benefits

##### (a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and annual leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations, which are included in other payables and accruals in the consolidated balance sheet.

##### (b) Pension obligations

The Group has a defined contribution plan in which the Group pays fixed contributions to publicly administered pension insurance plans on a mandatory basis. Contributions to these plans are charged to the consolidated income statement as and when incurred and not reduced by contributions forfeited by those who leave the plans prior to vesting fully in the contributions. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due.

# Notes to the Consolidated Financial Statements

## 2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

### 2.2 Summary of other accounting policies (Continued)

#### 2.2.11 Government grants

Grants from the government are recognized at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognized in the consolidated income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property and equipment are included in non-current liabilities as deferred income and are credited to the consolidated income statement on a straight-line basis over the expected lives of the related assets.

#### 2.2.12 Finance income

Interest income from financial assets at fair value through profit or loss is included in the net fair value gains on these assets, see Note 7 below.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes, see Note 10 below.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

#### 2.2.13 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

# Notes to the Consolidated Financial Statements

## 2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

### 2.2 Summary of other accounting policies (Continued)

#### 2.2.14 Dividend distribution

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

## 3 FINANCIAL RISK MANAGEMENT

### 3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. Risk management is carried out by the senior management of the Group.

#### (a) Market risk

##### (i) Foreign exchange risk

Foreign exchange risk primarily arises from recognized assets and liabilities denominated in a currency other than the functional currency of the Group entities.

For the year ended December 31, 2025, most transactions of the Group were settled in RMB and USD, while a limited number of transactions were denominated in foreign currencies such as Brazilian real. Thus, except the borrowings mentioned below, the Group's business was not exposed to significant foreign exchange risk and the exposure was limited in general, as the Group has no significant assets or liabilities denominated in the currencies other than the respective functional currencies of the entities within the Group.

As of December 31, 2025, the Group had unsecured RMB bank loans which were borrowed by a subsidiary of the Group, whose functional currency is USD. Details of the bank loans are disclosed in Note 26. If RMB had strengthened/weakened by 3% against USD with all other variables held constant, the profit before income tax for the year ended December 31, 2025 would have been approximately RMB272 million (2024: RMB269 million) lower/higher, as a result of foreign exchange losses/gains on translation of the bank loans and related proceeds denominated in RMB. The above sensitivity analysis did not consider any influence of economic hedge.

# Notes to the Consolidated Financial Statements

## 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 3.1 Financial risk factors (Continued)

#### (a) Market risk (Continued)

##### (i) Foreign exchange risk (Continued)

The Group managed its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures and tried to minimize these exposures through natural hedges, wherever possible and entered into certain foreign exchange option and forward agreements to economically partially hedge its exposure to foreign exchange risk mainly arising from the borrowings. Under these contracts, the Group had a right or agreed with the counterparties for settlement at specified foreign exchange rate. As of December 31, 2025, the aggregate notional principal amounts of these outstanding contracts were USD1,230 million (2024: USD1,230 million). The Group will continue to monitor changes in currency exchange rates and will take necessary measures to mitigate foreign exchange risks.

##### (ii) Interest rate risk

The Group's interest rate risk primarily arises from time deposits, cash and cash equivalents, investments measured at amortized cost, notes payable and borrowings. Those carried at floating rates expose the Group to cash flow interest rate risk whereas those carried at fixed rates expose the Group to fair value interest rate risk.

If the interest rate of borrowings carried at floating rate had been 50 basis points higher/lower, the profit before income tax for the year ended December 31, 2025 would have been RMB67 million (2024: RMB27 million) lower/higher.

The Group does not anticipate significant impact to the assets carried at floating rate resulted from the changes in interest rate because the interest rates of these assets are not expected to change significantly.

The Group regularly monitors its interest rate risk to ensure there is no undue exposure to significant interest rate movements.

##### (iii) Price risk

The Group is exposed to equity price risk in respect of investments in listed and unlisted entities that are classified as financial assets at fair value through profit or loss. The Group is generally not exposed to commodity price risk. To manage its price risk arising from the investments, the Group diversifies its investment portfolio. The sensitivity analysis is performed by management, see Note 3.3 for details.

# Notes to the Consolidated Financial Statements

## 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 3.1 Financial risk factors (Continued)

#### (b) Credit risk

Credit risk mainly arises from cash and cash equivalents, time deposits, restricted cash, trade receivables, other receivables, other financial assets at amortized cost and investments in wealth management products and others classified as financial assets at fair value through profit or loss. The carrying amount of these financial assets represents the Group's maximum exposure to credit risk in relation to the corresponding class of financial assets.

#### (i) Risk management

Trade and other receivables are managed on a group basis. The finance team is responsible for managing and analyzing the credit risk for each new customer/debtor before standard credit payment terms are offered. The Group assesses the credit quality of its customers and other debtors by taking into account various factors including their financial position, past operational and financial performance and other factors.

Cash and cash equivalents, time deposits, restricted cash, other financial assets at amortized cost and investments in wealth management products and others classified as financial assets at fair value through profit or loss are mainly purchased from reputable financial institutions in the PRC and international financial institutions outside of the PRC. There has been no recent history of default in relation to these financial institutions. The expected credit loss is not material.

#### (ii) Impairment of financial assets

##### Trade receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses under which the lifetime expected credit losses for all trade receivables are estimated. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and credit rating.

The expected loss rates are based on the historical payment profiles, historical loss rates and data published by external credit rating institution, adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has considered the expected changes in macroeconomic factors, such as Consumer Price Index, Gross Domestic Products and Producer Price Index of the PRC, and accordingly adjusts the historical loss rates based on expected changes in these factors.

# Notes to the Consolidated Financial Statements

## 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 3.1 Financial risk factors (Continued)

#### (b) Credit risk (Continued)

##### (ii) Impairment of financial assets (Continued)

Trade receivables (Continued)

On that basis, the loss allowances of trade receivables were determined as follows:

	As of December 31,	
	2025	2024
	RMB	RMB
	<i>in millions, except for percentages</i>	
Expected loss rate	2.10%	2.24%
Gross carrying amount	8,301	6,827
Loss allowance provision	174	153

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and indicators of severe financial difficulty.

Impairment losses on trade receivables are presented as “administrative expenses” within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Other receivables

Impairment on other receivables is measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of other receivables has occurred since initial recognition, then impairment is measured as lifetime expected credit loss. Management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience.

# Notes to the Consolidated Financial Statements

## 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 3.1 Financial risk factors (Continued)

#### (b) Credit risk (Continued)

##### (ii) Impairment of financial assets (Continued)

Other receivables (Continued)

On that basis, the loss allowances of other receivables were determined as follows:

	As of December 31,	
	2025	2024
	RMB	RMB
	<i>in millions, except for percentages</i>	
Expected loss rate	5.70%	3.11%
Gross carrying amount	3,016	1,574
Loss allowance provision	172	49

#### (c) Liquidity risk

The Group intends to maintain sufficient cash and cash equivalents. Due to the dynamic nature of the underlying business, the policy of the Group is to regularly monitor the Group's liquidity risk and to maintain adequate liquid assets or to retain adequate financing arrangements to meet the Group's liquidity requirements.

# Notes to the Consolidated Financial Statements

## 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 3.1 Financial risk factors (Continued)

#### (c) Liquidity risk (Continued)

The table below analyzes the Group's financial liabilities into relevant maturity grouping based on the remaining period at each balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year RMB'Million	Between 1 and 2 years RMB'Million	Between 2 and 5 years RMB'Million	Over 5 years RMB'Million	Total RMB'Million
<b>As of December 31, 2025</b>					
Non-derivative financial instruments					
— Accounts payables	27,209	—	—	—	27,209
— Borrowings	2,323	11,265	—	—	13,588
— Other payables and accruals (excluding non-financial liabilities)	22,939	—	—	—	22,939
— Lease liabilities	4,024	2,408	3,092	1,506	11,030
<b>Total</b>	<b>56,495</b>	<b>13,673</b>	<b>3,092</b>	<b>1,506</b>	<b>74,766</b>
Derivative financial instruments					
— Gross settled foreign currency forwards (Inflow)	—	(4,260)	—	—	(4,260)
Outflow	—	4,294	—	—	4,294
<b>Total</b>	<b>—</b>	<b>34</b>	<b>—</b>	<b>—</b>	<b>34</b>

# Notes to the Consolidated Financial Statements

## 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 3.1 Financial risk factors (Continued)

#### (c) Liquidity risk (Continued)

	Less than 1 year RMB'Million	Between 1 and 2 years RMB'Million	Between 2 and 5 years RMB'Million	Over 5 years RMB'Million	Total RMB'Million
<b>As of December 31, 2024</b>					
Non-derivative financial instruments					
— Accounts payables	27,470	—	—	—	27,470
— Borrowings	349	349	11,272	—	11,970
— Other payables and accruals (excluding non-financial liabilities)	17,523	—	—	—	17,523
— Lease liabilities	3,792	3,316	3,266	1,221	11,595
<b>Total</b>	<b>49,134</b>	<b>3,665</b>	<b>14,538</b>	<b>1,221</b>	<b>68,558</b>
Derivative financial instruments					
— Gross settled foreign currency forwards (Inflow)	—	—	(4,260)	—	(4,260)
Outflow	—	—	4,396	—	4,396
<b>Total</b>	<b>—</b>	<b>—</b>	<b>136</b>	<b>—</b>	<b>136</b>

### 3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to enhance shareholders' value in the long-term.

The Group monitors capital (including equity and borrowings) by regularly reviewing the capital structure. As a part of this review, the Group considers the cost of capital and the risks associated with the issued share capital. The Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, repurchase the Company's shares or raise/repay borrowings. In the opinion of the directors of the Company, the Group's capital risk is low.

# Notes to the Consolidated Financial Statements

## 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 3.3 Fair value estimation

#### (a) Fair value hierarchy

The table below analyzes the Group's financial instruments carried at fair value as of each balance sheet date, by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorized into three levels within a fair value hierarchy as follows:

- (1) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- (2) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- (3) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's financial assets and liabilities that are measured at fair value at December 31, 2025:

	Level 1 RMB'Million	Level 2 RMB'Million	Level 3 RMB'Million	Total RMB'Million
<b>Assets</b>				
Financial assets at fair value through profit or loss				
— Investments in listed entities	149	—	574	723
— Investments in unlisted entities	—	—	2,551	2,551
— Derivative financial instruments	—	354	—	354
— Wealth management products and others	—	62	62,734	62,796
	<u>149</u>	<u>416</u>	<u>65,859</u>	<u>66,424</u>
<b>Liabilities</b>				
Financial liabilities at fair value through profit or loss				
— Derivative financial instruments	—	30	—	30
	<u>—</u>	<u>30</u>	<u>—</u>	<u>30</u>

# Notes to the Consolidated Financial Statements

## 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 3.3 Fair value estimation (Continued)

#### (a) Fair value hierarchy (Continued)

The following table presents the Group's financial assets and liabilities that are measured at fair value at December 31, 2024:

	Level 1 RMB'Million	Level 2 RMB'Million	Level 3 RMB'Million	Total RMB'Million
<b>Assets</b>				
Financial assets at fair value through profit or loss				
— Investments in listed entities	86	—	—	86
— Investments in unlisted entities	—	—	2,719	2,719
— Derivative financial instruments	—	293	—	293
— Wealth management products and others	—	236	48,146	48,382
	<u>86</u>	<u>529</u>	<u>50,865</u>	<u>51,480</u>
<b>Liabilities</b>				
Financial liabilities at fair value through profit or loss				
— Derivative financial instruments	—	129	—	129
	<u>—</u>	<u>129</u>	<u>—</u>	<u>129</u>

The fair value of financial instruments traded in active markets is based on quoted market prices at each of the reporting dates. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in level 2.

Level 2 instruments of the Group's assets and liabilities mainly include foreign exchange options, foreign exchange forwards and perpetual bonds in wealth management products and others.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

# Notes to the Consolidated Financial Statements

## 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 3.3 Fair value estimation (Continued)

#### (a) Fair value hierarchy (Continued)

Level 3 instruments of the Group's assets mainly include investments in unlisted entities and investments in wealth management products and others (excluding investments in perpetual bonds) (Note 18).

#### (b) Valuation techniques and key inputs used to determine fair values

Specific valuation techniques used to value financial instruments and key inputs include:

- Quoted market prices or dealer quotes for similar instruments;
- Discounted cash flow model and unobservable inputs mainly including assumptions of expected future cash flows and discount rate;
- The fair values of foreign currency forwards are determined with reference to the discounted value of the differential between the contracted strike/forward rate to the market forward exchange rate with same maturity;
- The fair value of foreign currency options are determined by using option pricing model, such as Garman-Kohlhagen's Model, with reference to the spot rate and volatility of currency exchange rate, risk-free rates for both currencies, and contract strike rate for the options; and
- A combination of observable and unobservable inputs, including risk-free rate, expected volatility, discount rate for lack of marketability ("**DLOM**"), market multiples, etc.

# Notes to the Consolidated Financial Statements

## 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 3.3 Fair value estimation (Continued)

#### (c) Financial instruments in level 3

The following table presents the changes in level 3 items of financial assets at fair value through profit or loss for the years ended December 31, 2025 and 2024.

	<b>Financial assets at fair value through profit or loss RMB'Million</b>
<b>At January 1, 2025</b>	<b>50,865</b>
Additions	130,286
Disposals	(117,599)
Change in fair value*	3,005
Currency translation differences	(698)
<b>At December 31, 2025</b>	<b>65,859</b>
* Includes unrealized gains recognized in the consolidated income statement attributable to balances held at the end of the year	<b>2,240</b>
	<i>Financial assets at fair value through profit or loss RMB'Million</i>
<b>At January 1, 2024</b>	29,980
Additions	96,751
Disposals	(77,769)
Change in fair value*	1,647
Currency translation differences	256
<b>At December 31, 2024</b>	<b>50,865</b>
* Includes unrealized gains recognized in the consolidated income statement attributable to balances held at the end of the year	1,091

As level 3 instruments are not traded in an active market, their fair values have been determined by using various application valuation techniques, including market approach, etc.

# Notes to the Consolidated Financial Statements

## 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 3.3 Fair value estimation (Continued)

#### (c) Financial instruments in level 3 (Continued)

The Group has a team that manages the valuation of level 3 instruments for financial reporting purposes. The team manages the valuation of the investments on a case by case basis. At least once every year, the team would use valuation techniques to determine the fair value of the Group's level 3 instruments. External valuation experts will be involved when necessary.

The following table summarizes the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements.

Description	Fair Values		Significant unobservable inputs	Range of inputs		Relationship of unobservable inputs to fair values
	As of December 31,			As of December 31,		
	2025 RMB' Million	2024 RMB' Million		2025	2024	
Investments in unlisted entities	2,551	2,719	Expected volatility	39%-67%	41%-77%	The higher the expected volatility, the lower the fair value
			DLOM	7%-25%	6%-14%	The higher the DLOM, the lower the fair value
			Risk-free rate	1.40%-3.60%	1.20%-4.25%	The higher the risk-free rate, the lower the fair value
Wealth management products and others	62,734	48,146	Expected rate of return	3.20%-10.41%	2.25%-8.68%	The higher the expected rate of return, the higher the fair value

Investments in wealth management products are mainly the investment products purchased from reputable financial institutions in the PRC and international financial institutions outside of the PRC with unguaranteed return rates. The returns on all of these wealth management products are not guaranteed, hence their contractual cash flows do not qualify for solely payments of principal and interest. Therefore, they are measured at FVPL. None of these investments are past due. The fair values are determined based on the expected rate of return (based on management judgment) and are within level 3 of the fair value hierarchy. From the perspective of cash management and risk control, the Group diversifies its investment portfolios and mainly purchases low-risk products from reputable financial institutions and prefers those products with high-liquidity.

# Notes to the Consolidated Financial Statements

## 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 3.3 Fair value estimation (Continued)

#### (c) Financial instruments in level 3 (Continued)

The following table presents the higher/(lower) of the profit before income tax for the years ended December 31, 2025 and 2024 if the fair values of investments in listed and unlisted entities held by the Group had been 5% higher/lower.

	Year ended December 31,	
	2025 RMB'Million	2024 RMB'Million
5% higher	164	140
5% lower	(164)	(140)

There were no transfers between level 1, 2 and 3 of fair value hierarchy classifications during the years ended December 31, 2025 and 2024.

The carrying amounts of the Group's financial assets that are not measured at fair value, including cash and cash equivalents, restricted cash, time deposits, trade receivables, other receivables, other current and non-current assets and other financial assets at amortized cost, and the Group's financial liabilities that are not measured at fair value, including accounts payables, other payables and accruals, borrowings and lease liabilities, approximate their fair values due to their short maturities or the interest rates are close to the market interest rates.

## 4 CRITICAL ESTIMATES AND JUDGMENTS

The preparation of financial statements requires the use of accounting estimates which will seldom equal the actual results. Management needs to exercise judgment in applying the Group's accounting policies.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

# Notes to the Consolidated Financial Statements

## 4 CRITICAL ESTIMATES AND JUDGMENTS (CONTINUED)

### 4.1 Recognition of share-based compensation expenses

The Group set up the Share Incentive Plan and granted options and RSUs to employees, directors, and other eligible persons. The fair value of the options is determined by the binomial model at the grant date, and is expected to be expensed over the respective vesting periods. Significant estimates and assumptions, including forfeiture rate, underlying equity value, risk-free interest rate, expected volatility, dividend yield, and terms, are made by the Group (Note 25).

### 4.2 Estimation of the fair value of financial assets

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions including expected volatility, expected rate of return, discount for lack of marketability, risk-free rate associated with the instruments at the end of each reporting period, which are subject to uncertainty and might materially differ from the actual results. Changes in these assumptions and estimates could materially affect the respective fair value of these financial assets (Note 3.3).

### 4.3 Credit loss allowances for trade receivables, other receivables and other assets

By reference to IFRS 9, the expected credit loss of trade receivables, other receivables and other assets are based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and selecting the inputs to calculate the loss allowances, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 3.1(b).

### 4.4 Recoverability of non-financial assets

The Group tests whether goodwill has suffered any impairment on an annual basis, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets including property and equipment, investments accounted for using the equity method, right-of-use assets and intangible assets other than the goodwill are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. The assets are allocated to each of CGUs, or groups of CGUs. The recoverable amount of CGUs has been determined based on the higher amount of fair value less disposal cost model and value-in-use model. Under the fair value less disposal cost model, the management makes estimates based on quoted prices of active markets based on observable inputs. Under the value-in-use model, calculations require the use of assumptions and use cash flow projections based on financial forecast with an estimation of terminal value.

# Notes to the Consolidated Financial Statements

## 4 CRITICAL ESTIMATES AND JUDGMENTS (CONTINUED)

### 4.5 Current and deferred income taxes

The Group is subject to income taxes in several jurisdictions. Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

Deferred tax asset in relation to (i) deductible temporary differences; and (ii) unused tax losses was recognized in the consolidated balance sheet. The realizability of the deferred tax asset mainly depends on whether sufficient future taxable profit or taxable temporary differences will be available in the future. The outcome of their actual utilization may be different from management's estimation.

### 4.6 Principal versus agent considerations

Determining whether the Group is acting as a principal or as an agent when a third-party is involved in the provision of certain services to its customers requires judgment and consideration of all relevant facts and circumstances. In evaluation of the Group's role as a principal or agent, the Group considers factors to determine whether the Group controls the specified goods or services before they were transferred to the customer include, but are not limited to the following: (a) who is primarily responsible for fulfilling the contract, (b) who is subject to inventory risk, and (c) who has discretion in establishing prices. For details, please refer to Note 2.1.10.

### 4.7 Useful lives and depreciation of property and equipment

The Group's management determines the estimated useful lives and related depreciation for the Group's property and equipment based on the asset's expected utility to the Group. The asset management policy of the Group may involve the disposal of assets after a specified time or after consumption of a specified proportion of the future economic benefits embodied in the asset. Therefore, the useful life of an asset may be shorter than its physical life. The estimation of the useful life of the asset is a matter of judgment based on the experience of the Group with similar assets.

Management reviewed and extended the useful lives of servers and equipment from 4 years to 5 years with effect from January 1, 2025 based on the Group's historical usage pattern for the past 5 years. The effect of the changes in 2025 was a decrease in depreciation expense of RMB1.1 billion.

# Notes to the Consolidated Financial Statements

## 4 CRITICAL ESTIMATES AND JUDGMENTS (CONTINUED)

### 4.8 Scope of consolidation

Consolidation is required only if control exists. The Group controls an investee when it has all the following: (i) power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the Group's returns. Power results from rights that can be straightforward through voting rights or complicated in contractual arrangements. Variable returns normally encompass financial benefits and risks, but in certain cases, they also include operational values specific to the Group. These three factors cannot be considered in isolation by the Group in its assessment of control over an investee. Where the factors of control are not apparent, significant judgement is applied in the assessment, which is based on an overall analysis of all relevant facts and circumstances. The Group is required to reassess whether it controls the investee if facts and circumstances indicate a change to one or more of the three factors of control.

## 5 SEGMENT INFORMATION

### 5.1 Description of segments and principal activities

The Group's business activities, for which discrete financial statements are available, are regularly reviewed and evaluated by the CODM. 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 years ended December 31, 2025 and 2024.

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.

There are no separate segment assets and segment liabilities information provided to the CODM, as CODM does not use this information to allocate resources to or to evaluate the performance of the operating segments.

# Notes to the Consolidated Financial Statements

## 5 SEGMENT INFORMATION (CONTINUED)

### 5.1 Description of segments and principal activities (Continued)

The segment results are as follows:

	Year ended December 31, 2025			
	Domestic RMB'Million	Overseas RMB'Million	Unallocated items RMB'Million	Total RMB'Million
<b>Revenues</b>	<b>137,702</b>	<b>5,074</b>	<b>—</b>	<b>142,776</b>
Cost of revenues and operating expenses	(116,500)	(5,150)	—	(121,650)
Unallocated items	—	—	(489)	(489)
<b>Operating profit/(loss)</b>	<b>21,202</b>	<b>(76)</b>	<b>(489)</b>	<b>20,637</b>

	Year ended December 31, 2024			
	Domestic RMB'Million	Overseas RMB'Million	Unallocated items RMB'Million	Total RMB'Million
<b>Revenues</b>	122,202	4,696	—	126,898
Cost of revenues and operating expenses	(105,847)	(5,630)	—	(111,477)
Unallocated items	—	—	(134)	(134)
<b>Operating profit/(loss)</b>	<b>16,355</b>	<b>(934)</b>	<b>(134)</b>	<b>15,287</b>

### 5.2 Segment assets

As of December 31, 2025 and 2024, substantially all of the Group's non-current assets other than certain financial instruments and investments accounted for using the equity method were located in the PRC.

# Notes to the Consolidated Financial Statements

## 6 REVENUES

The breakdown of revenues is as follows:

	Year ended December 31,	
	2025 RMB'Million	2024 RMB'Million
Online marketing services	81,462	72,419
Live streaming	39,087	37,061
Other services	22,227	17,418
	<b>142,776</b>	<b>126,898</b>

The majority of revenues are recognized at a point in time. There was no concentration risk as no revenue from a single customer was more than 10% of the Group's total revenues for the years ended December 31, 2025 and 2024.

## 7 OTHER GAINS, NET

	Year ended December 31,	
	2025 RMB'Million	2024 RMB'Million
Net fair value gains on financial assets at fair value through profit or loss		
— Investments in listed and unlisted entities	617	(23)
— Wealth management products and others	2,460	1,707
Net gains on disposal of property and equipment, intangible assets and right-of-use assets	29	98
Net foreign exchange losses	(310)	(68)
Others	(815)	(32)
	<b>1,981</b>	<b>1,682</b>

# Notes to the Consolidated Financial Statements

## 8 EXPENSES BY NATURE

	Year ended December 31,	
	2025 RMB'Million	2024 RMB'Million
Revenue sharing costs and related taxes	43,859	36,277
Promotion and marketing expenses	39,869	38,652
Employee benefit expenses (Note 9)	18,477	17,297
Bandwidth expenses and server custody costs	5,655	5,761
Depreciation of property and equipment	3,903	4,064
Depreciation of right-of-use assets (Note a)	3,215	2,972
Amortization of intangible assets	77	104
Payment processing costs	3,098	2,819
Outsourcing and other labor costs	1,539	1,349
Auditor's remuneration		
— Audit services	30	30
— Non-audit services	2	3
Other professional fees	257	248
Tax surcharges	1,030	1,036
Credit loss allowances on financial assets	198	52
Others (Note b)	3,081	3,162
	<b>124,290</b>	<b>113,826</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.

## 9 EMPLOYEE BENEFIT EXPENSES

	Year ended December 31,	
	2025 RMB'Million	2024 RMB'Million
Wages, salaries and bonuses	12,971	12,102
Share-based compensation expenses	2,640	2,349
Pension costs-defined contribution plans (Note a)	1,052	1,032
Other social security costs, housing benefits and other employee benefits	1,814	1,814
	<b>18,477</b>	<b>17,297</b>

Note a: Employees of the Group companies in the PRC are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government. The Group contributes funds which are calculated on fixed percentage of the employees' salary (subject to a floor and cap) as set by local municipal governments to each scheme locally to fund the retirement benefits of the employees. No forfeited contributions were utilized by the Group to reduce its contributions to these schemes for the years ended December 31, 2025 and 2024.

## Notes to the Consolidated Financial Statements

### 9 EMPLOYEE BENEFIT EXPENSES (CONTINUED)

#### (a) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year ended December 31, 2025 include one director (2024: one). The emoluments to the five highest paid individuals for the years ended December 31, 2025 and 2024 are as follows:

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Wages and salaries	22,976	21,949
Discretionary bonuses	22,716	23,590
Share-based compensation expenses	390,280	383,236
Pension costs-defined contribution plans	292	239
Other social security costs, housing benefits and other employee benefits	390	370
	<b>436,654</b>	<b>429,384</b>

The emoluments fell within the following bands:

	Number of individuals Year ended December 31,	
	2025	2024
HK\$66,000,001 to HK\$66,500,000	1	—
HK\$85,000,001 to HK\$85,500,000	1	—
HK\$87,500,001 to HK\$88,000,000	—	1
HK\$88,500,001 to HK\$89,000,000	—	1
HK\$90,000,001 to HK\$90,500,000	—	1
HK\$90,500,001 to HK\$91,000,000	—	1
HK\$92,500,001 to HK\$93,000,000	1	—
HK\$111,500,001 to HK\$112,000,000	1	—
HK\$113,000,001 to HK\$113,500,000	—	1
HK\$120,500,001 to HK\$121,000,000	1	—
	<b>5</b>	<b>5</b>

All of these individuals did not receive any emolument from the Group as an inducement to join or upon joining the Group, and did not receive any compensation for loss of office for the years ended December 31, 2025 and 2024.

# Notes to the Consolidated Financial Statements

## 9 EMPLOYEE BENEFIT EXPENSES (CONTINUED)

### (b) Benefits and interests of directors

The remuneration of every director and the chief executive is set out as follows:

**For the year ended December 31, 2025:**

Name	Fees RMB'000	Wages and salaries RMB'000	Discretionary bonuses RMB'000	Share-based compensation expenses RMB'000	Pension costs- defined contribution plans RMB'000	Other social security costs, housing benefits and other employee benefits RMB'000	Total RMB'000
<i>Chairman</i>							
CHENG Yixiao (Note a)	—	4,884	—	79,973	85	98	85,040
<i>Executive Director</i>							
SU Hua	—	2,373	—	—	85	98	2,556
<i>Non-executive Directors</i>							
LI Zhaohui	—	—	—	—	—	—	—
ZHANG Fei	—	—	—	—	—	—	—
LIN Frank (Note b)	—	—	—	—	—	—	—
WANG Huiwen	457	—	—	—	—	—	457
<i>Independent non-executive Directors</i>							
HUANG Sidney Xuande	686	—	—	—	—	—	686
MA Yin	686	—	—	—	—	—	686
XIAO Xing (Note c)	223	—	—	—	—	—	223
LU Rong (Note d)	462	—	—	—	—	—	462
<b>Total</b>	<b>2,514</b>	<b>7,257</b>	<b>—</b>	<b>79,973</b>	<b>170</b>	<b>196</b>	<b>90,110</b>

# Notes to the Consolidated Financial Statements

## 9 EMPLOYEE BENEFIT EXPENSES (CONTINUED)

### (b) Benefits and interests of directors (Continued)

For the year ended December 31, 2024:

Name	Fees RMB'000	Wages and salaries RMB'000	Discretionary bonuses RMB'000	Share-based compensation expenses RMB'000	Pension costs-defined contribution plans RMB'000	Other social security costs, housing benefits and other employee benefits RMB'000	Total RMB'000
<i>Chairman</i>							
CHENG Yixiao (Note a)	—	4,853	4,500	70,358	71	94	79,876
<i>Executive Director</i>							
SU Hua	—	2,976	—	—	71	94	3,141
<i>Non-executive Directors</i>							
LI Zhaohui	—	—	—	—	—	—	—
ZHANG Fei	—	—	—	—	—	—	—
LIN Frank (Note b)	—	—	—	—	—	—	—
WANG Huiwen	417	—	—	—	—	—	417
<i>Independent non-executive Directors</i>							
HUANG Sidney Xuande	695	—	—	—	—	—	695
MA Yin	677	—	—	—	—	—	677
XIAO Xing	687	—	—	—	—	—	687
Total	<u>2,476</u>	<u>7,829</u>	<u>4,500</u>	<u>70,358</u>	<u>142</u>	<u>188</u>	<u>85,493</u>

Note a: Mr. CHENG Yixiao was appointed as the Chairman with effect from October 29, 2023. The exercise prices of outstanding share options granted to Mr. CHENG Yixiao were HK\$66.46 and HK\$59.40 respectively. For detailed grant information, please refer to the Company's announcements dated March 30, 2023 and April 14, 2022.

Note b: Mr. LIN Frank resigned with effect from January 22, 2025.

Note c: Prof. XIAO Xing resigned with effect from April 28, 2025.

Note d: Ms. LU Rong appointed with effect from April 28, 2025.

#### (i) Benefits and interests of directors

There is no other benefits and interests offered to directors in addition to those are disclosed in the tables above..

#### (ii) Directors' retirement and termination benefits

No director's (including former director(s)) retirement and termination benefit subsisted at the end of the years or at any time during the years ended December 31, 2025 and 2024.

# Notes to the Consolidated Financial Statements

## 9 EMPLOYEE BENEFIT EXPENSES (CONTINUED)

### (b) Benefits and interests of directors (Continued)

#### (iii) Consideration provided to or receivable by third parties for making available directors' services

No consideration provided to or receivable by third parties for making available directors' services subsisted at the end of the years or at any time during the years ended December 31, 2025 and 2024.

#### (iv) Information about loans, quasi-loans and other dealings in favor of directors, bodies corporate controlled by and entities connected with such directors

No loans, quasi-loans and other dealings in favor of directors, bodies corporate controlled by and entities connected with such directors was subsisted at the end of the years or at any time during the years ended December 31, 2025 and 2024.

#### (v) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest whether directly or indirectly, subsisted at the end of the years or at any time during the years ended December 31, 2025 and 2024.

#### (vi) Inducement to join the Group and compensation for loss of office

No director received any emolument from the Group as an inducement to join or upon joining the Group or compensation for loss of office for the years ended December 31, 2025 and 2024.

## 10 FINANCE (EXPENSE)/INCOME, NET

	Year ended December 31,	
	2025 RMB'Million	2024 RMB'Million
<b>Finance income:</b>		
Interest income from bank deposits	962	1,071
Others	6	—
	<u>968</u>	<u>1,071</u>
<b>Finance expense:</b>		
Interest expense from lease liabilities	(489)	(513)
Interest expense from borrowings	(408)	(187)
Others	(220)	(135)
	<u>(1,117)</u>	<u>(835)</u>
<b>Finance (expense)/income, net</b>	<u><b>(149)</b></u>	<u><b>236</b></u>

# Notes to the Consolidated Financial Statements

## 11 SUBSIDIARIES

The Company's major subsidiaries (including controlled and structured entities) during the year ended December 31, 2025 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly or indirectly by the Company, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of operation.

Name	Place of incorporation and kind of legal entity	Date of incorporation	Particulars of issued/paid-in capital	Effective interest held as of December 31, 2025	Principal activities
<b>Subsidiaries</b>					
<b>Directly held:</b>					
Fortune Ever Global Limited	Hong Kong, limited liability company	March 25, 2014	HK\$10,000	100%	Investment holding and investment
Cosmic Blue Investments Limited	British Virgin Islands, limited liability company	March 16, 2017	—	100%	Investment holding and investment
<b>Indirectly held:</b>					
Joyo Technology PTE. LTD.	Singapore, limited liability company	August 3, 2016	USD1	100%	Development of software, provision of programming and advertising services
Beijing Dajia Internet Information Technology Co., Ltd.*	Beijing, China, limited liability company	July 2, 2014	USD4,943,011,229.78	100%	Development of software, hardware and network technology
Beijing Kuaishou Ads Co., Ltd.	Beijing, China, limited liability company	September 23, 2016	RMB60,000	100%	Provision of online marketing and other services
Chengdu Magnetic Engine Media Co., Ltd.	Sichuan, China, limited liability company	September 25, 2020	RMB150,000,000	100%	Provision of online marketing services
Hainan Kuaishou Kuailian Information Technology Co., Ltd.	Hainan, China, limited liability company	May 12, 2021	—	100%	Provision of online marketing services
Huai'an Kuaishou Kuailian Information Technology Co., Ltd.	Jiangsu, China, limited liability company	July 13, 2022	—	100%	Provision of online marketing services
<b>Structured entities (Note a)</b>					
Beijing Kuaishou Technology Co., Ltd.	Beijing, China, limited liability company	March 20, 2015	RMB11,010,100	99%	Provision of live-streaming and online marketing services
Beijing Chenzhong Technology Co., Ltd.	Beijing, China, limited liability company	July 6, 2017	RMB2,015,000	100%	Provision of online marketing and other services
Chengdu Kuaigou Technology Co., Ltd.	Sichuan, China, limited liability company	October 31, 2019	—	100%	Provision of e-commerce and other services
Huai'an Kuaishou Shuangxin Culture Communication Co., Ltd.	Jiangsu, China, limited liability company	August 7, 2020	—	100%	Provision of internet information services
Kuaishou Smart Cloud (Ulanchabu) Technology Co., Ltd.	Inner Mongolia, China, limited liability company	May 29, 2020	RMB250,000,000	100%	Provision of internet data services

\* Registered as wholly foreign-owned enterprise under PRC law.

Note a: As described in Note 2.2.1(a), the Company does not have directly or indirectly legal ownership in equity of these structured entities or their subsidiaries. Nevertheless, under certain Contractual Arrangements entered into with these structured entities and their Nominee Shareholders, the Company and its other legally owned subsidiaries have rights to exercise power over these structured entities, receive variable returns from their involvement in these structured entities, and have the ability to affect those returns through their power over these structured entities. As a result, they are presented as consolidated structured entities of the Company.

# Notes to the Consolidated Financial Statements

## 12 INCOME TAX

### (a) Cayman Islands

The Company is incorporated as an exempted company with limited liability under the Companies Act (as revised) of the Cayman Islands and is not subject to tax on income or capital gains. Additionally, the Cayman Islands does not impose a withholding tax on payments of dividends to shareholders. The Cayman Islands is not party to any double tax treaties that are applicable to any payments made by or to the Company.

### (b) British Virgin Islands (“BVI”)

The Group’s entities established under the BVI Business Companies Act (as amended) are not subject to tax on income or capital gains.

### (c) Hong Kong Income Tax

Hong Kong profits tax has been provided at the rate of 16.5% on estimated assessable profits, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2 million of assessable profits of this subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

### (d) PRC Enterprise Income Tax

The income tax provision of the Group in respect of its operations in Chinese Mainland was subject to the statutory tax rate of 25% on the assessable profits for the years ended December 31, 2025 and 2024, based on the existing legislation, interpretation and practices in respect thereof.

Certain subsidiaries of the Group in Chinese Mainland were accredited as High and New Technology Enterprise, and they were subject to a preferential corporate income tax rate of 15% for the years ended December 31, 2025 and 2024. In addition, certain subsidiaries of the Group were entitled to other tax concessions, mainly including the preferential tax rate of 15% applicable to some subsidiaries located in certain areas of Chinese Mainland upon fulfillment of certain requirements of the respective local governments.

The State Taxation Administration of the PRC announced in March 2023 that enterprises engaging in research and development activities would be entitled to claim 200% of their research and development expenses so incurred as tax deductible expenses when determining their assessable profits for that year (“**Super Deduction**”) from January 1, 2023 onwards. The Group has made its best estimate for the Super Deduction to be claimed for the Group’s entities in ascertaining their assessable profits during the year.

# Notes to the Consolidated Financial Statements

## 12 INCOME TAX (CONTINUED)

### (e) Withholding tax in Chinese Mainland (“WHT”)

According to applicable tax regulations prevailing in Chinese Mainland, distribution of profits earned by companies in Chinese Mainland since January 1, 2008 to foreign investors is subject to withholding tax of 5% or 10%, depending on the country or jurisdiction of incorporation of the foreign investor, upon the distribution of profits to overseas-incorporated immediate holding companies.

The income tax expenses of the Group are analyzed as follows:

	Year ended December 31,	
	2025	2024
	RMB'Million	RMB'Million
Current income tax	(601)	(651)
Deferred income tax (Note 30)	(1,247)	501
Income tax expenses	(1,848)	(150)

## Notes to the Consolidated Financial Statements

### 12 INCOME TAX (CONTINUED)

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the statutory tax rate of 25% in Chinese Mainland, being the tax rate applicable to the majority of consolidated entities as follows:

	Year ended December 31,	
	2025 RMB'Million	2024 RMB'Million
Profit before income tax	20,472	15,494
Tax calculated at statutory income tax rate of 25% in Chinese Mainland	(5,118)	(3,874)
Tax effects of:		
— Effect of different tax rates in other jurisdictions	368	48
— Effect of preferential income tax rates of certain subsidiaries	1,333	630
— Deductible temporary differences and tax losses for which no deferred tax assets were recognized	(358)	(432)
— Expenses not deductible for income tax purposes	(156)	(142)
— Utilization of deductible temporary differences and tax losses for which no deferred tax assets were previously recognized	639	492
— Super deduction for research and development expenses	414	1,287
— Income not subject to tax	61	167
— Withholding tax on earnings expected to be remitted by subsidiaries (Note 30)	(175)	—
— Recognition of deferred tax assets previously unrecognized	865	1,508
— Others	279	166
	<b>(1,848)</b>	<b>(150)</b>

#### OECD Pillar Two model rules

The Group is within the scope of the Organisation for Economic Co-operation and Development (“OECD”) Pillar Two model rules. The Group applies the IAS 12 exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income tax.

Pillar Two legislation has been effective in certain jurisdictions in which the Group operates (e.g. Hong Kong and Singapore) since January 1, 2025. Under the legislation, it exposes a top-up tax on profits arising in a jurisdiction whenever its effective tax rate determined by the Pillar Two model rules on a jurisdictional basis is below a minimum rate of 15%. Management has assessed the related impact which is not material.

# Notes to the Consolidated Financial Statements

## 13 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 year.

	Year ended December 31,	
	2025	2024
Earnings attributable to equity holders of the Company (RMB millions)	<u>18,617</u>	<u>15,335</u>
Weighted average number of ordinary shares in issue (million shares)	<u>4,281</u>	<u>4,305</u>
Basic earnings per share (expressed in RMB per share)	<u><u>4.35</u></u>	<u><u>3.56</u></u>

### (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 years ended December 31, 2025 and 2024, the Company had two categories of potential ordinary shares: share options and RSUs.

	Year ended December 31,	
	2025	2024
Earnings attributable to equity holders of the Company (RMB millions)	<u>18,617</u>	<u>15,335</u>
Weighted average number of ordinary shares in issue (million shares)	<u>4,281</u>	<u>4,305</u>
Adjustments for share options and RSUs (million shares)	<u>121</u>	<u>101</u>
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share (million shares)	<u>4,402</u>	<u>4,406</u>
Diluted earnings per share (expressed in RMB per share)	<u><u>4.23</u></u>	<u><u>3.48</u></u>

# Notes to the Consolidated Financial Statements

## 14 PROPERTY AND EQUIPMENT

The detailed information of property and equipment is as follows:

	Buildings RMB'Million	Servers, computers and equipment RMB'Million	Office equipment RMB'Million	Leasehold improvements RMB'Million	Construction in progress RMB'Million	Total RMB'Million
<b>At January 1, 2025</b>						
Cost	3,087	29,975	109	904	199	34,274
Accumulated depreciation	(431)	(18,560)	(70)	(382)	—	(19,443)
<b>Net book amount</b>	<b>2,656</b>	<b>11,415</b>	<b>39</b>	<b>522</b>	<b>199</b>	<b>14,831</b>
<b>Year ended December 31, 2025</b>						
Opening net book amount	2,656	11,415	39	522	199	14,831
Currency translation differences	—	(9)	—	(1)	—	(10)
Additions	—	10,613	10	2	1,379	12,004
Transfers	35	470	—	16	(521)	—
Disposals	—	(43)	(2)	(8)	—	(53)
Depreciation charge	(150)	(3,635)	(17)	(101)	—	(3,903)
<b>Closing net book amount</b>	<b>2,541</b>	<b>18,811</b>	<b>30</b>	<b>430</b>	<b>1,057</b>	<b>22,869</b>
<b>At December 31, 2025</b>						
Cost	3,122	40,429	106	890	1,057	45,604
Accumulated depreciation	(581)	(21,618)	(76)	(460)	—	(22,735)
<b>Net book amount</b>	<b>2,541</b>	<b>18,811</b>	<b>30</b>	<b>430</b>	<b>1,057</b>	<b>22,869</b>
<b>At January 1, 2024</b>						
Cost	3,039	24,153	101	965	102	28,360
Accumulated depreciation	(282)	(15,344)	(54)	(324)	—	(16,004)
<b>Net book amount</b>	<b>2,757</b>	<b>8,809</b>	<b>47</b>	<b>641</b>	<b>102</b>	<b>12,356</b>
<b>Year ended December 31, 2024</b>						
Opening net book amount	2,757	8,809	47	641	102	12,356
Currency translation differences	—	7	—	1	—	8
Additions	—	6,211	14	7	368	6,600
Transfers	48	188	—	35	(271)	—
Disposals	—	(33)	(1)	(35)	—	(69)
Depreciation charge	(149)	(3,767)	(21)	(127)	—	(4,064)
<b>Closing net book amount</b>	<b>2,656</b>	<b>11,415</b>	<b>39</b>	<b>522</b>	<b>199</b>	<b>14,831</b>
<b>At December 31, 2024</b>						
Cost	3,087	29,975	109	904	199	34,274
Accumulated depreciation	(431)	(18,560)	(70)	(382)	—	(19,443)
<b>Net book amount</b>	<b>2,656</b>	<b>11,415</b>	<b>39</b>	<b>522</b>	<b>199</b>	<b>14,831</b>

# Notes to the Consolidated Financial Statements

## 14 PROPERTY AND EQUIPMENT (CONTINUED)

Depreciation expenses have been charged to the consolidated income statement as follows:

	Year ended December 31,	
	2025 RMB'Million	2024 RMB'Million
Cost of revenues	2,712	3,745
Selling and marketing expenses	36	41
Administrative expenses	42	50
Research and development expenses	1,113	228
	<u>3,903</u>	<u>4,064</u>

## 15 LEASE

### (a) Items recognized in the consolidated balance sheet

	As of December 31,	
	2025 RMB'Million	2024 RMB'Million
<b>Right-of-use assets</b>		
Internet data centers	7,042	7,131
Office buildings	1,477	1,733
Land use rights	26	27
	<u>8,545</u>	<u>8,891</u>

	As of December 31,	
	2025 RMB'Million	2024 RMB'Million
<b>Lease liabilities</b>		
Current	3,962	3,671
Non-current	5,977	6,765
	<u>9,939</u>	<u>10,436</u>

Additions and modifications to the right-of-use assets for the year ended December 31, 2025 was approximately RMB3.1 billion (2024: RMB2.5 billion). For details, please refer to Note 31(c).

# Notes to the Consolidated Financial Statements

## 15 LEASE (CONTINUED)

### (b) Items recognized in the consolidated income statement and consolidated statement of cash flows

	Year ended December 31,	
	2025 <i>RMB' Million</i>	2024 <i>RMB' Million</i>
Depreciation charge of right-of-use assets		
— Internet data centers	2,862	2,588
— Office buildings	352	383
— Land use rights	1	1
Interest expense (included in finance (expense)/income, net)	489	513
Expense relating to short-term leases not included in lease liabilities (included in cost of revenues, selling and marketing expenses, administrative expenses and research and development expenses)	22	56
	<b>3,726</b>	<b>3,541</b>

The total cash outflows for leases (not including those for short-term leases which has been included as cash outflows from operating activities) for the year ended December 31, 2025 was approximately RMB3.8 billion (2024: RMB3.2 billion).

# Notes to the Consolidated Financial Statements

## 16 INTANGIBLE ASSETS

The detailed information of intangible assets is as follows:

	Goodwill (Note a) RMB'Million	Licenses and copyrights RMB'Million	Trademarks and domain name RMB'Million	Software RMB'Million	Others RMB'Million	Total RMB'Million
<b>At January 1, 2025</b>						
Cost	845	471	16	134	10	1,476
Accumulated amortization and impairment	—	(295)	(10)	(102)	(10)	(417)
<b>Net book amount</b>	<b>845</b>	<b>176</b>	<b>6</b>	<b>32</b>	<b>—</b>	<b>1,059</b>
<b>Year ended December 31, 2025</b>						
Opening net book amount	845	176	6	32	—	1,059
Additions	—	8	2	2	—	12
Disposals	—	(8)	—	—	—	(8)
Amortization charge	—	(57)	(2)	(18)	—	(77)
<b>Closing net book amount</b>	<b>845</b>	<b>119</b>	<b>6</b>	<b>16</b>	<b>—</b>	<b>986</b>
<b>At December 31, 2025</b>						
Cost	845	366	18	136	10	1,375
Accumulated amortization and impairment	—	(247)	(12)	(120)	(10)	(389)
<b>Net book amount</b>	<b>845</b>	<b>119</b>	<b>6</b>	<b>16</b>	<b>—</b>	<b>986</b>
<b>At January 1, 2024</b>						
Cost	845	706	16	178	10	1,755
Accumulated amortization and impairment	—	(538)	(9)	(125)	(10)	(682)
<b>Net book amount</b>	<b>845</b>	<b>168</b>	<b>7</b>	<b>53</b>	<b>—</b>	<b>1,073</b>
<b>Year ended December 31, 2024</b>						
Opening net book amount	845	168	7	53	—	1,073
Additions	—	101	—	29	—	130
Disposals	—	(12)	—	(26)	—	(38)
Impairment charge	—	(2)	—	—	—	(2)
Amortization charge	—	(79)	(1)	(24)	—	(104)
<b>Closing net book amount</b>	<b>845</b>	<b>176</b>	<b>6</b>	<b>32</b>	<b>—</b>	<b>1,059</b>
<b>At December 31, 2024</b>						
Cost	845	471	16	134	10	1,476
Accumulated amortization and impairment	—	(295)	(10)	(102)	(10)	(417)
<b>Net book amount</b>	<b>845</b>	<b>176</b>	<b>6</b>	<b>32</b>	<b>—</b>	<b>1,059</b>

# Notes to the Consolidated Financial Statements

## 16 INTANGIBLE ASSETS (CONTINUED)

Note a: For the purpose of impairment test of goodwill, goodwill is allocated to groups of CGUs. Such groups of CGUs represent the lowest level within the Group for which the goodwill is monitored for internal management purpose. The Group had two CGUs for the years ended December 31, 2025 and 2024. The management allocated all goodwill to its domestic CGU as the goodwill was only attributable to the domestic business.

Impairment review on the goodwill of the Group has been conducted by the management as of December 31, 2025 and 2024 according to IAS 36 "Impairment of assets". The Group conducted the annual impairment test on goodwill by comparing the recoverable amount to the carrying amount as of December 31, 2025 and 2024. The recoverable amount is determined based on the higher amount of value-in-use calculations and fair value less costs of disposal. As the recoverable amount was higher than the carrying amount, no impairment for the CGU was recorded.

Amortization expenses have been charged to the consolidated income statement as follows:

	Year ended December 31,	
	2025 RMB'Million	2024 RMB'Million
Cost of revenues	36	56
Administrative expenses	23	26
Research and development expenses	18	22
	<u>77</u>	<u>104</u>

## 17 FINANCIAL INSTRUMENTS BY CATEGORY

The detailed information of financial instruments by category is as follows:

	As of December 31,	
	2025 RMB'Million	2024 RMB'Million
<b>Assets as per consolidated balance sheet</b>		
Financial assets at fair value through profit or loss	66,424	51,480
Financial assets measured at amortized cost:		
— Trade receivables	8,127	6,674
— Prepayments, other receivables and other current assets (excluding non-financial assets)	2,238	1,405
— Other financial assets at amortized cost	44	295
— Other non-current assets (excluding non-financial assets)	606	120
— Time deposits	30,645	31,378
— Restricted cash	251	47
— Cash and cash equivalents	11,180	12,697
<b>Total</b>	<u>119,515</u>	<u>104,096</u>

# Notes to the Consolidated Financial Statements

## 17 FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

	As of December 31,	
	2025 RMB'Million	2024 RMB'Million
<b>Liabilities as per consolidated balance sheet</b>		
Financial liabilities at fair value through profit or loss	30	129
Financial liabilities measured at amortized cost:		
— Accounts payables	27,209	27,470
— Other payables and accruals (excluding non-financial liabilities)	22,939	17,523
— Borrowings	13,066	11,100
— Lease liabilities	9,939	10,436
<b>Total</b>	<b>73,183</b>	<b>66,658</b>

## 18 INVESTMENTS

	As of December 31,	
	2025 RMB'Million	2024 RMB'Million
<b>Non-current assets</b>		
Financial assets at fair value through profit or loss		
— Investments in unlisted entities	2,551	2,719
— Investment in a listed entity	—	80
— Wealth management products and others	21,196	21,338
— Derivative financial instruments	353	293
	24,100	24,430
Other financial assets at amortized cost (Note a)	35	62
	24,135	24,492
<b>Current assets</b>		
Financial assets at fair value through profit or loss		
— Investment in listed entities	723	6
— Wealth management products and others	41,600	27,044
— Derivative financial instruments	1	—
	42,324	27,050
Other financial assets at amortized cost (Note a)	9	233
	42,333	27,283
<b>Total</b>	<b>66,468</b>	<b>51,775</b>

# Notes to the Consolidated Financial Statements

## 18 INVESTMENTS (CONTINUED)

Note a: Investments measured at amortized cost are mainly debt securities in USD, which are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest. Interest income from these financial assets is recorded in "other income" using the effective interest method. None of these investments were past due.

Movements in financial assets at fair value through profit or loss are as follows:

	Year ended December 31,	
	2025 RMB'Million	2024 RMB'Million
<b>At the beginning of the year</b>	<b>51,480</b>	30,373
Additions	<b>130,286</b>	97,012
Disposals	<b>(117,779)</b>	(77,882)
Change in fair value	<b>3,147</b>	1,713
Currency translation differences	<b>(710)</b>	264
<b>At the end of the year</b>	<b>66,424</b>	<b>51,480</b>

## 19 TRADE RECEIVABLES

	As of December 31,	
	2025 RMB'Million	2024 RMB'Million
Trade receivables from contracts with customers	<b>8,301</b>	6,827
Less: credit loss allowances	<b>(174)</b>	(153)
	<b>8,127</b>	<b>6,674</b>

The Group generally grants a credit period within 90 days to its customers. Aging analysis of trade receivables based on invoice date is as follows:

	As of December 31,	
	2025 RMB'Million	2024 RMB'Million
Up to 3 months	<b>7,218</b>	6,021
Over 3 months	<b>1,083</b>	806
	<b>8,301</b>	<b>6,827</b>

## Notes to the Consolidated Financial Statements

### 19 TRADE RECEIVABLES (CONTINUED)

Movements on the Group's allowance for credit loss of trade receivables are as follows:

	Year ended December 31,	
	2025 RMB'Million	2024 RMB'Million
<b>At the beginning of the year</b>	<b>(153)</b>	(138)
Additional provision	(74)	(15)
Write-offs	53	—
<b>At the end of the year</b>	<b>(174)</b>	(153)

### 20 PREPAYMENTS, OTHER RECEIVABLES AND OTHER CURRENT ASSETS

The detailed information of prepayments, other receivables and other current assets is as follows:

	As of December 31,	
	2025 RMB'Million	2024 RMB'Million
Recoverable VAT and other tax prepayments	3,035	1,944
Receivables from third parties	1,736	1,192
Prepaid promotion and marketing fees	979	582
Prepayments for content and other services	631	551
Loan receivables	470	—
Deposits	114	138
Others	233	288
	<b>7,198</b>	4,695
Less: credit loss allowances	(170)	(49)
	<b>7,028</b>	4,646

# Notes to the Consolidated Financial Statements

## 21 CASH AND BANK BALANCES

### (a) Cash and cash equivalents

	As of December 31,	
	2025 RMB'Million	2024 RMB'Million
Cash at bank and held in other financial institutions	10,126	11,816
Time deposits with initial terms within three months	1,054	881
	<u>11,180</u>	<u>12,697</u>

Cash and cash equivalents are denominated in the following currencies:

	As of December 31,	
	2025 RMB'Million	2024 RMB'Million
RMB	6,640	10,934
USD	4,112	1,488
HKD	127	111
Others	301	164
	<u>11,180</u>	<u>12,697</u>

### (b) Restricted cash

Restricted cash are denominated in the following currencies:

	As of December 31,	
	2025 RMB'Million	2024 RMB'Million
RMB	241	47
Others	10	—
	<u>251</u>	<u>47</u>

# Notes to the Consolidated Financial Statements

## 21 CASH AND BANK BALANCES (CONTINUED)

### (c) Time deposits

Time deposits are denominated in the following currencies:

	As of December 31,	
	2025 RMB'Million	2024 RMB'Million
RMB	26,173	28,178
USD	4,461	3,189
Others	11	11
	<b>30,645</b>	<b>31,378</b>

## 22 SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES

### Authorized:

As of December 31, 2025 and 2024, the authorized share of the Company comprised 9,433,962,264 ordinary shares with par value of US\$0.0000053 per share.

### Issued:

	Number of ordinary shares 'Million	Nominal value of ordinary shares USD'Million	Equivalent nominal value of ordinary shares RMB'Million	Share premium RMB'Million
<b>At January 1, 2024</b>	4,333	—	—	273,459
Exercise of share options and vesting of RSUs	61	—	—	29
Cancellation of shares	(117)	—	—	(4,755)
<b>At December 31, 2024</b>	<b>4,277</b>	<b>—</b>	<b>—</b>	<b>268,733</b>
Exercise of share options and vesting of RSUs	85	—	—	1,308
Cancellation of shares	(55)	—	—	(2,604)
Dividends	—	—	—	(1,809)
<b>At December 31, 2025</b>	<b>4,307</b>	<b>—</b>	<b>—</b>	<b>265,628</b>

# Notes to the Consolidated Financial Statements

## 22 SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES (CONTINUED)

### Treasury shares:

During the year ended December 31, 2025, the Company repurchased an aggregate number of 56,780,600 of Class B ordinary shares from the market, out of which, 10,272,700 had not been canceled as of December 31, 2025 and had been subsequently canceled in January 2026 (2024: the Company repurchased 123,424,700 of Class B ordinary shares from the market, out of which, 8,614,900 had not been canceled as of December 31, 2024 and had been subsequently canceled in January 2025).

## 23 OTHER RESERVES

The following table shows a breakdown of the balance sheet line item “other reserves” and the movements in these reserves during the years.

	Capital reserve	Share-based compensation	Currency translation differences	Statutory surplus reserve	Investments in associates	Others	Total
	RMB'Million	RMB'Million	(Note a) RMB'Million	(Note b) RMB'Million	RMB'Million	RMB'Million	RMB'Million
<b>At January 1, 2025</b>	<b>(364)</b>	<b>23,706</b>	<b>12,206</b>	<b>273</b>	<b>48</b>	<b>(93)</b>	<b>35,776</b>
Share-based compensation	—	2,630	—	—	—	—	2,630
Currency translation differences	—	—	(330)	—	—	—	(330)
Share of other comprehensive income of investments accounted for using the equity method	—	—	—	—	1	—	1
Share of other changes in net assets of investments accounted for using the equity method	—	—	—	—	2	—	2
Appropriations to statutory reserves	—	—	—	794	—	—	794
<b>At December 31, 2025</b>	<b>(364)</b>	<b>26,336</b>	<b>11,876</b>	<b>1,067</b>	<b>51</b>	<b>(93)</b>	<b>38,873</b>
<b>At January 1, 2024</b>	<b>(364)</b>	<b>21,357</b>	<b>11,948</b>	<b>265</b>	<b>70</b>	<b>(93)</b>	<b>33,183</b>
Share-based compensation	—	2,349	—	—	—	—	2,349
Currency translation differences	—	—	258	—	—	—	258
Share of other comprehensive loss of investments accounted for using the equity method	—	—	—	—	(3)	—	(3)
Share of other changes in net assets of investments accounted for using the equity method	—	—	—	—	(19)	—	(19)
Appropriations to statutory reserves	—	—	—	8	—	—	8
<b>At December 31, 2024</b>	<b>(364)</b>	<b>23,706</b>	<b>12,206</b>	<b>273</b>	<b>48</b>	<b>(93)</b>	<b>35,776</b>

# Notes to the Consolidated Financial Statements

## 23 OTHER RESERVES (CONTINUED)

*Note a:* Currency translation differences represent the difference arising from the translation of the financial statements of companies within the Group that have a functional currency different from the presentation currency of RMB for the consolidated financial statements of the Group.

*Note b:* In accordance with the Companies Laws of the PRC and the stipulated provisions of the articles of association of subsidiaries with limited liabilities in the PRC, appropriation of net profits (after offsetting accumulated losses from prior years) should be made by these companies to their respective statutory surplus reserve funds and the discretionary reserve funds before distributions are made to the owners. The percentage of appropriation to statutory surplus reserve fund is 10%. The amount to be transferred to the discretionary reserve fund is determined by the equity owners of these companies. When the balance of the statutory surplus reserve fund reaches 50% of the registered capital, such transfer need not be made. Both the statutory surplus reserve fund and discretionary reserve fund can be capitalized as capital of an enterprise, provided that the remaining statutory surplus reserve fund shall not be less than 25% of the registered capital.

## 24 DIVIDENDS

On August 21, 2025, the Board of Directors of the Company approved and declared a special dividend of HK\$0.46 per ordinary share. The aggregate amount of the special dividend was HK\$2.0 billion, which was paid in October 2025.

On March 25, 2026, the Board of Directors of the Company recommended the payment of a final dividend of HK\$0.69 per ordinary share for the year ended December 31, 2025, subject to the approval of Shareholders at the 2026 AGM. The aggregate amount of the proposed final dividend will be approximately HK\$3.0 billion, which will be payable in HK\$ and in cash. The proposed final dividend is not reflected as dividend payable in the consolidated financial statements.

Except as disclosed above, no other dividends have been paid or declared by the Company during the years ended December 31, 2025 and 2024.

# Notes to the Consolidated Financial Statements

## 25 SHARE-BASED COMPENSATION

On December 22, 2014, the Board of Directors of the Company approved the establishment of Pre-IPO ESOP Plan with the purpose of attracting, motivating, retaining and rewarding certain employees, directors and other eligible persons. Pre-IPO ESOP Plan is valid and effective for 10 years from the approval of the Board of Directors. The maximum number of shares that may be issued under Pre-IPO ESOP Plan shall be 312,661,648 of ordinary shares, which were adjusted to 509,616,655 ordinary shares in February 2015 and further to 711,946,697 ordinary shares in February 2018. Pre-IPO ESOP Plan permits the awards of options.

The Post-IPO Share Option Scheme and RSU Scheme was approved and adopted by all the then Shareholders of the Company on January 18, 2021 to recognize and reward eligible persons for their contribution to the Group, to attract best available personnel, and to provide additional incentives to them. The Post-IPO Share Option Scheme and RSU Scheme commenced on February 5, 2021 and was terminated upon the 2023 Share Incentive Scheme becoming unconditional and effective on June 23, 2023.

The 2023 Share Incentive Scheme was approved and adopted by the Shareholders on June 16, 2023, which shall be valid and effective for a period of ten years commencing from June 16, 2023. The purposes of the 2023 Share Incentive Scheme are to recognize and reward eligible participants for their contribution to the Group, to attract and retain best available personnel, and to encourage eligible participants to work towards enhancing the value of the Company and its shares.

### Pre-IPO ESOP Plan

#### *Share options granted to employees*

The majority of share options have graded vesting terms, and will be vested from the grant date over 4 years on the condition that employees remain in service without any performance targets.

The options may be exercised at any time after the IPO of the Company provided the options have vested and subject to the terms of the award agreement. The options are exercisable for a maximum period of 10 years after the date of grant.

# Notes to the Consolidated Financial Statements

## 25 SHARE-BASED COMPENSATION (CONTINUED)

### Pre-IPO ESOP Plan (Continued)

#### Share options granted to employees (Continued)

Movements in the number of share options granted and their related weighted average exercise prices are as follows:

	Number of share options	Weighted average exercise price per share option HK\$
Outstanding at January 1, 2025	34,790,022	19.28
Forfeited during the year	(1,268,380)	115.10
Exercised during the year	(13,012,524)	3.56
Outstanding at December 31, 2025	<u>20,509,118</u>	<u>23.33</u>
Exercisable at December 31, 2025	<u>20,509,118</u>	<u>23.33</u>
	Number of share options	Weighted average exercise price per share option HK\$
Outstanding at January 1, 2024	57,491,358	12.66
Forfeited during the year	(2,347,359)	15.35
Exercised during the year	(20,353,977)	1.03
Outstanding at December 31, 2024	<u>34,790,022</u>	<u>19.28</u>
Exercisable at December 31, 2024	<u>33,006,371</u>	<u>20.31</u>

The weighted average remaining contract life for outstanding share options was 3.24 years and 4.57 years as of December 31, 2025 and 2024, respectively. The weighted average price of the shares at the time these share options were exercised was HK\$57.88 per share during the years ended December 31, 2025.

# Notes to the Consolidated Financial Statements

## 25 SHARE-BASED COMPENSATION (CONTINUED)

### Pre-IPO ESOP Plan (Continued)

#### *Fair value of share options*

The Group used the discounted cash flow method to determine the underlying equity fair value of the Company and adopted the equity allocation model to determine the fair value of the underlying ordinary shares. Key assumptions, such as the discount rate and projections of future performance, are determined by the Group with best estimate.

Based on fair value of the underlying ordinary shares, the Group has used binomial model to determine the fair value of the share option at the grant date. There was no share option granted during the year ended December 31, 2025 and 2024.

### Post-IPO Share Option Scheme

#### *Share options granted to employees*

The share options have graded vesting terms, and will be vested from the grant date up to 4 years generally on the condition that employees remain in service, among which certain employees were granted with performance targets. The options are exercisable for a maximum period of 7 years after the date of grant.

Movements in the number of share options granted and their related weighted average exercise prices are as follows:

	Number of share options	Weighted average exercise price per share option HK\$
Outstanding at January 1, 2025	66,257,055	65.34
Forfeited during the year	(5,299,343)	65.10
Exercised during the year	(22,266,067)	62.24
Outstanding at December 31, 2025	<u>38,691,645</u>	<u>67.16</u>
Exercisable at December 31, 2025	<u>27,328,685</u>	<u>68.95</u>

# Notes to the Consolidated Financial Statements

## 25 SHARE-BASED COMPENSATION (CONTINUED)

### Post-IPO Share Option Scheme (Continued)

#### Share options granted to employees (Continued)

	Number of share options	Weighted average exercise price per share option HK\$
Outstanding at January 1, 2024	85,934,274	67.34
Forfeited during the year	(19,513,619)	74.25
Exercised during the year	<u>(163,600)</u>	<u>53.69</u>
Outstanding at December 31, 2024	<u>66,257,055</u>	<u>65.34</u>
Exercisable at December 31, 2024	<u>48,440,935</u>	<u>65.94</u>

The weighted average remaining contract life for outstanding share options was 2.90 years and 3.16 years as of December 31, 2025 and 2024, respectively. The weighted average price of the shares at the time these share options were exercised was HK\$73.71 per share during the year ended December 31, 2025.

#### Fair value of share options

Based on fair value of the underlying ordinary shares, the Group used binomial model to determine the fair value of the share option at the grant date. There was no share option granted during the year ended December 31, 2025 and 2024.

# Notes to the Consolidated Financial Statements

## 25 SHARE-BASED COMPENSATION (CONTINUED)

### Post-IPO RSU Scheme

#### *RSUs granted to employees*

The RSUs under the Post-IPO RSU Scheme have graded vesting terms, and will be vested from the grant date up to 4 years generally on the condition that employees remain in service, among which certain employees were granted with performance targets.

Movements in the number of RSUs granted to the Group's employees under the Post-IPO RSU Scheme and the respective weighted average grant date fair value are as follows:

	Number of RSUs	Weighted average grant date fair value per RSU HK\$
Outstanding at January 1, 2025	50,685,134	67.16
Forfeited during the year	(8,802,336)	62.90
Vested during the year	(23,717,723)	79.06
Outstanding at December 31, 2025	<u>18,165,075</u>	<u>53.69</u>
	Number of RSUs	Weighted average grant date fair value per RSU HK\$
Outstanding at January 1, 2024	103,672,599	75.74
Forfeited during the year	(18,555,738)	78.52
Vested during the year	(34,431,727)	86.87
Outstanding at December 31, 2024	<u>50,685,134</u>	<u>67.16</u>

# Notes to the Consolidated Financial Statements

## 25 SHARE-BASED COMPENSATION (CONTINUED)

### 2023 Share Incentive Scheme

The RSUs under the 2023 Share Incentive Scheme have graded vesting terms, and will be vested from the grant date up to 4 years generally on the condition that employees remain in service, among which certain employees were granted with performance targets.

Movements in the number of RSUs granted to the Group's employees under the 2023 Share Incentive Scheme and the respective weighted average grant date fair value are as follows:

	Number of RSUs	Weighted average grant date fair value per RSU HK\$
Outstanding at January 1, 2025	84,603,849	46.51
Granted during the year	82,280,171	53.35
Forfeited during the year	(21,602,614)	49.04
Vested during the year	(25,767,194)	47.30
Outstanding at December 31, 2025	<u>119,514,212</u>	<u>50.59</u>

	Number of RSUs	Weighted average grant date fair value per RSU HK\$
Outstanding at January 1, 2024	15,074,574	62.08
Granted during the year	82,144,918	44.68
Forfeited during the year	(8,294,845)	49.96
Vested during the year	(4,320,798)	59.33
Outstanding at December 31, 2024	<u>84,603,849</u>	<u>46.51</u>

The fair value of each RSU was determined by reference to the market price of the Company's shares at the respective grant date.

The share-based compensation expenses of RMB2.6 billion and RMB2.3 billion were recognized in the consolidated income statement for the years ended December 31, 2025 and 2024, respectively.

# Notes to the Consolidated Financial Statements

## 26 BORROWINGS

	As of December 31,	
	2025 RMB' Million	2024 RMB' Million
Unsecured bank loans		
— RMB loans, included in non-current liabilities (Note a)	11,098	11,100
— USD loans, included in current liabilities	1,968	—
	<u>13,066</u>	<u>11,100</u>

Note a: The annual average interest rates of these borrowings were 3.09% and 3.38% for the years ended December 31, 2025 and 2024, respectively.

As of December 31, 2025 and 2024, the Group's borrowings were carried at floating rates. The Group's borrowings were repayable as follows:

	As of December 31,	
	2025 RMB' Million	2024 RMB' Million
Within 1 year	1,968	—
Between 1 and 2 years	11,098	—
Between 2 and 5 years	—	11,100
	<u>13,066</u>	<u>11,100</u>

The Group had complied with all of the financial covenants of its borrowing facilities for the years ended December 31, 2025 and 2024.

## 27 ACCOUNTS PAYABLES

The aging analysis of accounts payables based on invoice date is as follows:

	As of December 31,	
	2025 RMB' Million	2024 RMB' Million
Up to 3 months	18,354	18,266
3 to 6 months	3,042	3,133
6 months to 1 year	4,443	4,626
Over 1 year	1,370	1,445
	<u>27,209</u>	<u>27,470</u>

# Notes to the Consolidated Financial Statements

## 28 OTHER PAYABLES AND ACCRUALS

The breakdown of other payables and accruals is as follows:

	As of December 31,	
	2025 RMB'Million	2024 RMB'Million
Notes payable	11,948	7,997
Refundable deposits from customers	8,453	7,701
Employee benefit payables	5,549	4,812
Other taxes payable	672	778
Others	2,538	1,825
	<b>29,160</b>	<b>23,113</b>

### (a) Notes payable arrangements

The Group has entered into arrangements with its suppliers and certain banks since 2022, under which the payable to suppliers is settled through notes, whose payment is guaranteed by the banks. When the suppliers further discount the notes from the contracted banks, they get cash from the banks on behalf of the Group on an agreed date, with discount interest borne and paid by the Group. The Group undertakes the obligation to make payment to the contracted banks, thus derecognizes the payable presented under “accounts payables” that owes its suppliers and recognizes a payable that owes the contracted banks, which is presented as notes payable under “other payables and accruals” upon the settlement with the suppliers. The Group repays the banks the principal on the maturity date of the notes.

The range of payment due dates is as follows:

	Year ended December 31,	
	2025	2024
Notes payable	97–365 days after invoice date	97–244 days after invoice date
Comparable accounts payables that are not part of the arrangements (same line of business)	0–90 days after invoice date	0–90 days after invoice date

The carrying amount of liabilities under the arrangements was RMB11,948 million and RMB8,015 million as of December 31, 2025 and 2024, respectively. The carrying amount of liabilities under the arrangements of which the supplier has received payments from banks was RMB11,948 million and RMB7,997 million as of December 31, 2025 and 2024, respectively.

# Notes to the Consolidated Financial Statements

## 28 OTHER PAYABLES AND ACCRUALS (CONTINUED)

### (a) Notes payable arrangements (Continued)

Based on the terms and conditions of the arrangements, the Group considers the cash flows in substance occur for the Group in the transactions where it directs the contracted banks to pay the suppliers on the Group's behalf. Therefore, when the contracted banks pay the payable the Group owes its suppliers on its behalf, the Group presents a financing cash inflow and an operating, investing or financing cash outflow related to the affected payable the Group owes its suppliers. When the Group subsequently pays to the banks when the notes mature, the Group presents the cash flow as a financing cash outflow. For details, please refer to Note 31(c).

## 29 ADVANCES FROM CUSTOMERS

The breakdown of advances from customers is as follows:

	As of December 31,	
	2025 RMB'Million	2024 RMB'Million
Advances from online marketing services customers	2,847	2,776
Advances from live streaming customers	1,724	1,833
Others	277	87
	<u>4,848</u>	<u>4,696</u>

The above mentioned advances from customers represented the contract liabilities in connection with the advanced cash receipts for online marketing services and advances for the purchase of virtual items and other services. Revenue recognized from the advances from customers balance as of January 1, 2025 in the year of 2025 was RMB2.9 billion (2024: RMB2.4 billion was recognized from the advances from customers balance as of January 1, 2024).

## Notes to the Consolidated Financial Statements

### 30 DEFERRED INCOME TAX

The analysis of deferred tax assets and liabilities before offsetting, the offsetting amount, as well as the deferred tax assets and liabilities after offsetting are as follows:

	As of December 31,	
	2025 RMB'Million	2024 RMB'Million
<b>Deferred tax assets:</b>		
To be recovered after 12 months	2,023	4,009
To be recovered within 12 months	5,010	4,093
	<b>7,033</b>	<b>8,102</b>
<b>Deferred tax liabilities:</b>		
To be settled after 12 months	983	1,004
To be settled within 12 months	706	507
	<b>1,689</b>	<b>1,511</b>
<b>Offsetting amounts</b>	<b>1,448</b>	1,498
<b>Deferred tax assets after offsetting</b>	<b>5,585</b>	6,604
<b>Deferred tax liabilities after offsetting</b>	<b>241</b>	13

The movements of the deferred tax assets before offsetting are as follows:

	Accrued liabilities and provisions RMB'Million	Lease liabilities RMB'Million	Tax losses RMB'Million	Others RMB'Million	Total RMB'Million
<b>At January 1, 2025</b>	2,796	1,599	3,562	145	8,102
(Debited)/credited to the consolidated income statement	(366)	(72)	(653)	22	(1,069)
<b>At December 31, 2025</b>	<b>2,430</b>	<b>1,527</b>	<b>2,909</b>	<b>167</b>	<b>7,033</b>
<b>At January 1, 2024</b>	3,545	1,969	2,357	112	7,983
(Debited)/credited to the consolidated income statement	(749)	(370)	1,205	33	119
<b>At December 31, 2024</b>	<b>2,796</b>	<b>1,599</b>	<b>3,562</b>	<b>145</b>	<b>8,102</b>

## Notes to the Consolidated Financial Statements

### 30 DEFERRED INCOME TAX (CONTINUED)

The unrecognized deferred tax assets for tax losses are as follows:

	As of December 31,	
	2025 RMB'Million	2024 RMB'Million
<b>Deductible cumulative tax losses</b>		
— To be carried forward indefinitely	16,453	20,165
— To be expired within following years*	4,623	7,846
	<b>21,076</b>	<b>28,011</b>
<b>Unrecognized deferred tax assets</b>	<b>3,904</b>	<b>4,889</b>

\* As of December 31, 2025, the deductible cumulative tax losses will expire within 10 years (2024: 10 years).

The movements of the deferred tax liabilities before offsetting are as follows:

	Right-of-use assets RMB'Million	Withholding tax on the earnings anticipated to be remitted by subsidiaries RMB'Million	Others RMB'Million	Total RMB'Million
<b>At January 1, 2025</b>	1,475	—	36	1,511
(Credited)/debited to the consolidated income statement	(54)	175	57	178
<b>At December 31, 2025</b>	<b>1,421</b>	<b>175</b>	<b>93</b>	<b>1,689</b>
<b>At January 1, 2024</b>	1,851	—	42	1,893
Credited to the consolidated income statement	(376)	—	(6)	(382)
<b>At December 31, 2024</b>	<b>1,475</b>	<b>—</b>	<b>36</b>	<b>1,511</b>

As of December 31, 2025, the Group recognized the relevant deferred tax liabilities of RMB175 million on retained earnings anticipated to be remitted by certain subsidiaries in Chinese Mainland in the foreseeable future. No withholding tax had been provided for the remaining retained earnings of the Group's subsidiaries located in Chinese Mainland of approximately RMB3.1 billion, which are anticipated to be retained in Chinese Mainland in the foreseeable future.

# Notes to the Consolidated Financial Statements

## 31 CASH FLOW INFORMATION

### (a) Cash generated from operations

	Year ended December 31,	
	2025 RMB'Million	2024 RMB'Million
<b>Profit before income tax</b>	<b>20,472</b>	15,494
Adjustments for:		
Depreciation of property and equipment	<b>3,903</b>	4,064
Depreciation of right-of-use assets	<b>3,215</b>	2,972
Amortization of intangible assets	<b>77</b>	104
Credit loss allowances on financial assets	<b>198</b>	52
Provision for impairment of intangible assets	<b>—</b>	2
Net gains arising from disposals of subsidiaries	<b>—</b>	(5)
Equity settled share-based compensation expenses	<b>2,630</b>	2,349
Net gains on disposal of property and equipment, intangible assets and right-of-use assets	<b>(29)</b>	(98)
Net fair value gains on financial assets at fair value through profit or loss	<b>(3,077)</b>	(1,684)
Share of losses of investments accounted for using the equity method	<b>16</b>	29
Interest income from financial assets measured at amortized cost	<b>(7)</b>	(36)
Finance expense/(income), net	<b>257</b>	(13)
Net foreign exchange losses	<b>310</b>	68
Changes in working capital:		
— Increase in trade receivables	<b>(1,537)</b>	(224)
— (Increase)/decrease in prepayments, other receivables and other assets	<b>(1,961)</b>	490
— (Increase)/decrease in restricted cash	<b>(205)</b>	81
— (Decrease)/increase in accounts payables	<b>(732)</b>	3,468
— Increase in advances from customers	<b>152</b>	660
— Increase in other payables and accruals	<b>4,406</b>	3,037
— Increase/(decrease) in other non-current liabilities	<b>20</b>	(2)
Cash generated from operations	<b>28,108</b>	30,808

### (b) Non-cash investing and financing activities

Non-cash investing and financing transactions are about the additions as well as modifications of right-of-use assets and lease liabilities described in Note 15. Other than these, there was no other material non-cash investing and financing transactions for the years ended December 31, 2025 and 2024.

# Notes to the Consolidated Financial Statements

## 31 CASH FLOW INFORMATION (CONTINUED)

### (c) Reconciliation of liabilities generated from financing activities

	Borrowings and related interest RMB'Million	Notes payable RMB'Million	Liability from notes receivable factoring to banks RMB'Million	Lease liabilities RMB'Million	Total RMB'Million
<b>Liabilities generated from financing activities at January 1, 2025</b>	11,110	7,997	—	10,436	29,543
<b>Financing cash flows</b>					
— Proceeds from borrowings	4,422	—	—	—	4,422
— Repayments of borrowings and related interest	(2,823)	—	—	—	(2,823)
— Payments for principal elements of lease and related interest	—	—	—	(3,823)	(3,823)
— Proceeds received under notes payable transaction	—	25,884	—	—	25,884
— Proceeds received from notes receivable factoring to banks	—	—	32,964	—	32,964
— Payments for principal of matured notes	—	(21,933)	(33,053)	—	(54,986)
<b>Other changes</b>					
— Interest expense from borrowings	408	—	—	—	408
— Foreign exchange adjustments	(34)	—	—	—	(34)
— Increase in lease liabilities from entering into new leases	—	—	—	3,092	3,092
— Decrease in lease liabilities from termination of leases	—	—	—	(255)	(255)
— Interest expense from lease liabilities	—	—	—	489	489
— Interest on notes receivable factoring to banks	—	—	89	—	89
<b>Liabilities generated from financing activities at December 31, 2025</b>	<b>13,083</b>	<b>11,948</b>	<b>—</b>	<b>9,939</b>	<b>34,970</b>

# Notes to the Consolidated Financial Statements

## 31 CASH FLOW INFORMATION (CONTINUED)

### (c) Reconciliation of liabilities generated from financing activities (Continued)

	Borrowings and related interest <i>RMB' Million</i>	Notes payable <i>RMB' Million</i>	Liability from notes receivable factoring to banks <i>RMB' Million</i>	Lease liabilities <i>RMB' Million</i>	Total <i>RMB' Million</i>
<b>Liabilities generated from financing activities at January 1, 2024</b>	—	3,990	—	11,732	15,722
<b>Financing cash flows</b>					
— Proceeds from borrowings	12,379	—	—	—	12,379
— Repayments of borrowings and related interest	(1,454)	—	—	—	(1,454)
— Payments for principal elements of lease and related interest	—	—	—	(3,228)	(3,228)
— Proceeds received under notes payable transaction	—	14,892	—	—	14,892
— Proceeds received from notes receivable factoring to banks	—	—	9,734	—	9,734
— Payments for principal of matured notes	—	(10,885)	(9,773)	—	(20,658)
<b>Other changes</b>					
— Interest expense from borrowings	187	—	—	—	187
— Foreign exchange adjustments	(2)	—	—	—	(2)
— Increase in lease liabilities from entering into new leases	—	—	—	2,356	2,356
— Decrease in lease liabilities from termination of leases	—	—	—	(1,037)	(1,037)
— Lease modification	—	—	—	100	100
— Interest expense from lease liabilities	—	—	—	513	513
— Interest on notes receivable factoring to banks	—	—	39	—	39
<b>Liabilities generated from financing activities at December 31, 2024</b>	<u>11,110</u>	<u>7,997</u>	<u>—</u>	<u>10,436</u>	<u>29,543</u>

# Notes to the Consolidated Financial Statements

## 32 COMMITMENTS

Significant capital expenditure contracted for at the end of the reporting period but not yet incurred is as follows:

	As of December 31,	
	2025 RMB' Million	2024 RMB' Million
Property and equipment	5,477	1,835
Investments	152	192
	<u>5,629</u>	<u>2,027</u>

## 33 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operational decisions. Parties are also considered to be related if they are subjected to common control. Members of Group's key management and their close family members are also considered as related parties.

The following significant transactions were carried out between the Group and its related parties during the years presented. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

### (a) Names and relationships with related parties

The following companies are significant related parties of the Group that had transactions with the Group during the years ended December 31, 2025 and 2024, and/or balances with the Group as of December 31, 2025 and 2024, respectively.

Company	Relationship
Tencent Holdings Limited and its subsidiaries ("Tencent Group")	One of the Company's shareholders
Zhihu Inc. and its subsidiaries	Investee of the Group
SHAREit Technology Holdings Inc. and its subsidiaries	Investee of the Group
Yixin Youxuan Information Technology (Shandong) Group Co., Ltd. and its subsidiaries	Investee of the Group
Chengdu Qingsong Digital Information Technology Co., Ltd and its subsidiaries ("Chengdu Qingsong")	Entities controlled by senior management of the Group

# Notes to the Consolidated Financial Statements

## 33 RELATED PARTY TRANSACTIONS (CONTINUED)

### (b) Significant transactions with related parties

	Year ended December 31,	
	2025 <i>RMB'Million</i>	2024 <i>RMB'Million</i>
(i) Provision of services		
Tencent Group	470	399
Others	29	138
	<u>499</u>	<u>537</u>

	Year ended December 31,	
	2025 <i>RMB'Million</i>	2024 <i>RMB'Million</i>
(ii) Purchases of services		
Tencent Group	3,874	4,093
Others	46	90
	<u>3,920</u>	<u>4,183</u>

### (c) Balances with related parties

	As of December 31,	
	2025 <i>RMB'Million</i>	2024 <i>RMB'Million</i>
(i) Prepayments and other receivables		
Tencent Group	475	526
Chengdu Qingsong	271	252
	<u>746</u>	<u>778</u>

# Notes to the Consolidated Financial Statements

## 33 RELATED PARTY TRANSACTIONS (CONTINUED)

### (c) Balances with related parties (Continued)

	As of December 31,	
	2025 RMB'Million	2024 RMB'Million
(ii) Trade receivables		
Tencent Group	<u>127</u>	<u>197</u>

	As of December 31,	
	2025 RMB'Million	2024 RMB'Million
(iii) Accounts payables		
Tencent Group	139	282
Others	<u>58</u>	<u>62</u>
	<u>197</u>	<u>344</u>

All the balances with related parties above were business operation related and were considered as trade in nature as of December 31, 2025 and 2024. All the balances with the related parties above were unsecured, non-interest bearing and repayable on demand.

### (d) Loans to related parties

	Year ended December 31,	
	2025 RMB'Million	2024 RMB'Million
Loan and interest receivables		
Chengdu Qingsong	<u>504</u>	<u>—</u>

The loan was repayable within three years, advanced by the Group to Chengdu Qingsong, with floating interest rate at 2.5% in 2025, and was provided credit guarantees by shareholders of Chengdu Qingsong and its wholly owned subsidiary.

The loan was primarily to facilitate Chengdu Qingsong, who has entered into a business cooperation agreement with the Group in payment services and other related professional areas, to develop its own capacity of payment related service.

# Notes to the Consolidated Financial Statements

## 33 RELATED PARTY TRANSACTIONS (CONTINUED)

### (e) Key management personnel compensation

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Wages and salaries	18,206	19,585
Discretionary bonuses	18,854	15,358
Share-based compensation expenses	135,306	158,160
Pension costs-defined contribution plans	339	295
Other social security costs, housing benefits and other employee benefits	409	380
	<u>173,114</u>	<u>193,778</u>

## 34 CONTINGENCIES

As of December 31, 2025 and 2024, the Group did not have any material contingent liabilities.

## 35 SUBSEQUENT EVENTS

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.

Except as disclosed above and in Note 24, there was no other material subsequent events during the period from January 1, 2026 to the approval date of these consolidated financial statements by the Board on March 25, 2026.

# Notes to the Consolidated Financial Statements

## 36 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

### (a) Balance sheet of the Company

	Note	As of December 31,	
		2025 RMB'Million	2024 RMB'Million
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment		2	5
Right-of-use assets		4	7
Investments in subsidiaries		26,336	23,706
		<u>26,342</u>	<u>23,718</u>
<b>Current assets</b>			
Prepayments, other receivables and other current assets		65,308	69,800
Cash and cash equivalents		125	108
		<u>65,433</u>	<u>69,908</u>
<b>Total assets</b>		<u><b>91,775</b></u>	<u><b>93,626</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital	22	—	—
Share premium	22,36(b)	265,628	268,733
Treasury shares	22,36(b)	(602)	(341)
Other reserves	36(b)	41,384	40,257
Accumulated losses	36(b)	(214,719)	(215,169)
<b>Total equity</b>		<u><b>91,691</b></u>	<u><b>93,480</b></u>

# Notes to the Consolidated Financial Statements

## 36 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

### (a) Balance sheet of the Company (Continued)

	Note	As of December 31,	
		2025 RMB'Million	2024 RMB'Million
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities		1	4
		1	4
<b>Current liabilities</b>			
Accounts payables		15	11
Other payables and accruals		65	128
Lease liabilities		3	3
		83	142
<b>Total liabilities</b>		<b>84</b>	146
<b>Total equity and liabilities</b>		<b>91,775</b>	93,626

The balance sheet of the Company was approved by the Board of Directors on March 25, 2026 and was signed on its behalf by:

**CHENG Yixiao**  
Director

**SU Hua**  
Director

# Notes to the Consolidated Financial Statements

## 36 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

### (b) Reserve movement of the Company

	Share premium RMB'Million	Treasury shares RMB'Million	Share-based compensation RMB'Million	Currency translation differences RMB'Million	Capital reserve RMB'Million	Accumulated losses RMB'Million	Others RMB'Million	Total RMB'Million
<b>At January 1, 2025</b>	268,733	(341)	23,706	17,006	(362)	(215,169)	(93)	93,480
Profit for the year	—	—	—	—	—	450	—	450
Share-based compensation	—	—	2,630	—	—	—	—	2,630
Exercise of share options and vesting of RSUs	1,308	—	—	—	—	—	—	1,308
Currency translation differences	—	—	—	(1,503)	—	—	—	(1,503)
Repurchase of shares (to be canceled)	—	(2,865)	—	—	—	—	—	(2,865)
Dividends	(1,809)	—	—	—	—	—	—	(1,809)
Cancellation of shares	(2,604)	2,604	—	—	—	—	—	—
<b>At December 31, 2025</b>	<b>265,628</b>	<b>(602)</b>	<b>26,336</b>	<b>15,503</b>	<b>(362)</b>	<b>(214,719)</b>	<b>(93)</b>	<b>91,691</b>
<b>At January 1, 2024</b>	273,459	(88)	21,357	15,943	(362)	(214,823)	(93)	95,393
Loss for the year	—	—	—	—	—	(346)	—	(346)
Share-based compensation	—	—	2,349	—	—	—	—	2,349
Exercise of share options and vesting of RSUs	29	—	—	—	—	—	—	29
Currency translation differences	—	—	—	1,063	—	—	—	1,063
Repurchase of shares (to be canceled)	—	(5,008)	—	—	—	—	—	(5,008)
Cancellation of shares	(4,755)	4,755	—	—	—	—	—	—
<b>At December 31, 2024</b>	<b>268,733</b>	<b>(341)</b>	<b>23,706</b>	<b>17,006</b>	<b>(362)</b>	<b>(215,169)</b>	<b>(93)</b>	<b>93,480</b>

## Definitions

In this annual report, unless the context otherwise requires the following expressions have the following meanings.

<b>“2023 Share Incentive Scheme”</b>	the share incentive scheme of the Company adopted at the annual general meeting held on June 16, 2023
<b>“2026 AGM”</b>	the 2026 annual general meeting of the Company to be held on Thursday, June 25, 2026 at 3:00 p.m. or any adjournment thereof
<b>“AI”</b>	artificial intelligence
<b>“AIGC”</b>	artificial intelligence generated content
<b>“ARPPU”</b>	average revenue per paying user, calculated as revenue in a given period divided by the number of paying users during that period
<b>“Articles” or “Articles of Association”</b>	the articles of association of the Company (as amended from time to time) adopted on June 13, 2024
<b>“associate(s)”</b>	has the meaning ascribed to it under the Listing Rules
<b>“Audit Committee”</b>	the audit committee of the Board
<b>“Auditor”</b>	PricewaterhouseCoopers, the external auditor of the Company
<b>“Beijing Kuaishou”</b>	Beijing Kuaishou Technology Co., Ltd. (北京快手科技有限公司), a limited liability company incorporated under the laws of the PRC on March 20, 2015 and a Consolidated Affiliated Entity
<b>“Beijing Kuaishou Ads”</b>	Beijing Kuaishou Ads Co., Ltd. (北京快手廣告有限公司), a limited liability company incorporated under the laws of the PRC on September 23, 2016 and an indirect wholly-owned subsidiary of the Company
<b>“Beijing One Smile”</b>	Beijing One Smile Technology and Development Co., Ltd. (北京一笑科技發展有限公司), a limited liability company incorporated under the laws of the PRC on November 29, 2011 and a Consolidated Affiliated Entity
<b>“Board” or “Board of Directors”</b>	the board of Directors
<b>“BVI”</b>	the British Virgin Islands
<b>“Chief Executive Officer”</b>	the chief executive officer 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 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 Class B Share one vote per share on any resolution tabled at the Company’s general meeting
<b>“Companies Act”</b>	the Companies Act, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
<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>“connected person(s)”</b>	has the meaning ascribed to it in the Listing Rules
<b>“connected transaction(s)”</b>	has the meaning ascribed to it in the Listing Rules
<b>“Consolidated Affiliated Entities”</b>	the entities we control through the Contractual Arrangements, namely the PRC Holdcos and their respective subsidiaries
<b>“Consolidated Financial Statements”</b>	the consolidated financial statements of the Group for the Reporting Period
<b>“Contractual Arrangements”</b>	the series of contractual arrangements entered into between WFOE, PRC Holdcos and the Registered Shareholders (as applicable)
<b>“Controlling Shareholders”</b>	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Mr. SU Hua, Mr. CHENG Yixiao, Reach Best and Ke Yong
<b>“Corporate Governance Code”</b>	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
<b>“Corporate Governance Committee”</b>	the corporate governance committee of the Board
<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

## Definitions

<b>“Designated Employee”</b>	certain employee(s) (including senior management) of the Group as designated by the Board or its delegate(s), the vesting of whose RSUs shall be subject to the satisfaction of the performance targets. The scope and criteria of the Designated Employee(s) are determined by the Board or its delegate(s) as he may in his absolute discretion deem appropriate and necessary taking into account, among other factors, the talent motivation strategy of the Group
<b>“Director(s)”</b>	the director(s) of the Company
<b>“Employee Participant(s)”</b>	the Director(s) and employee(s) of any member of the Group (including persons who are granted Options and/or RSUs under the 2023 Share Incentive Scheme as an inducement to enter into employment contracts with the Group)
<b>“Fortune One”</b>	Fortune One Ventures Limited, a limited liability company incorporated under the laws of the BVI which is controlled by Mr. YIN Xin
<b>“Global Offering”</b>	the global offering of the Class B Shares
<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>“Grantee”</b>	the employee (including senior management) of the Group, who is an eligible participant under the 2023 Share Incentive Scheme and was granted RSUs under the 2023 Share Incentive Scheme on April 25, 2025
<b>“Group”</b>	the Company, its subsidiaries and the 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>“Hangzhou Youqu”</b>	Hangzhou Youqu Network Co., Ltd. (杭州遊趣網絡有限公司), a limited liability company incorporated under the laws of the PRC on July 7, 2008 and a Consolidated Affiliated Entity
<b>“HK\$” or “HKD”</b>	Hong Kong dollars, the lawful currency of Hong Kong

<b>“Hong Kong” or “HK”</b>	the Hong Kong Special Administrative Region of the PRC
<b>“Hong Kong Share Registrar”</b>	Computershare Hong Kong Investor Services Limited
<b>“Hong Kong Stock Exchange” or “Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“Huayi Huilong”</b>	Beijing Huayi Huilong Network Technology Co., Ltd. (北京華藝匯龍網絡科技有限公司), a limited liability company incorporated under the laws of the PRC on November 6, 2006 and a Consolidated Affiliated Entity
<b>“IASB”</b>	International Accounting Standards Board
<b>“IFRS Accounting Standards”</b>	International Financial Reporting Standards, amendments and interpretations issued by the IASB
<b>“Jovial Star”</b>	Jovial Star Global Limited, a limited liability company incorporated under the laws of the BVI which is controlled by Mr. YANG Yuanxi
<b>“Ke Yong”</b>	Ke Yong Limited, a limited liability company incorporated under the laws of the BVI which is controlled by Mr. CHENG Yixiao
<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>	April 15, 2026, being the latest practicable date prior to the printing of this annual report for the purpose of ascertaining certain information contained in this annual report
<b>“Listing”</b>	the listing of the Class B Shares on the Main Board of the Stock Exchange
<b>“Listing Date”</b>	February 5, 2021, on which the Class B Shares were listed and dealings in the Class B Shares were first permitted to take place on the Main Board of the Stock Exchange

## Definitions

<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>“Main Board”</b>	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange
<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 June 13, 2024
<b>“Model Code”</b>	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
<b>“Nomination Committee”</b>	the nomination committee of the Board
<b>“paying user(s)”</b>	user account(s) that purchase(s) a particular service at least once during a given period
<b>“Post-IPO RSU Scheme”</b>	the post-IPO restricted share unit scheme adopted by the Company on January 18, 2021 and terminated on June 23, 2023
<b>“Post-IPO Share Option Scheme”</b>	the post-IPO share option scheme adopted by the Company on January 18, 2021 and terminated on June 23, 2023
<b>“PRC” or “China”</b>	the People’s Republic of China, but for the purposes of this annual report only (unless otherwise indicated) excluding Hong Kong, the Macau Special Administrative Region and Taiwan
<b>“PRC Holdcos”</b>	Hangzhou Youqu, Huayi Huilong and Beijing One Smile
<b>“Pre-IPO ESOP”</b>	the pre-IPO employee incentive scheme adopted by the Company dated February 6, 2018 and terminated upon Listing
<b>“Prospectus”</b>	the prospectus of the Company dated January 26, 2021
<b>“Reach Best”</b>	Reach Best Developments Limited, a limited liability company incorporated under the laws of the BVI which is controlled by Mr. SU Hua
<b>“Related Entity Participant(s)”</b>	director(s) and employee(s) of the holding companies, fellow subsidiaries or associated companies of the Company
<b>“Remuneration Committee”</b>	the remuneration committee of the Board

<b>“Reporting Period”</b>	the year ended December 31, 2025
<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 our auditors, and (iv) the voluntary liquidation or winding-up of the Company
<b>“RMB” or “Renminbi”</b>	the lawful currency of the PRC
<b>“ROI”</b>	return on investment
<b>“senior management”</b>	any person referred to as senior management in the corporate communication of the Company, or any other publications on the websites of the Stock Exchange or the Company
<b>“Service Provider(s)”</b>	have the same meaning as set out in Rule 17.03A of the Listing Rules and permitted under the 2023 Share Incentive Scheme
<b>“SFC”</b>	the Securities and Futures Commission of Hong Kong
<b>“SFO”</b>	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
<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>“State Council”</b>	the State Council of the PRC (中華人民共和國國務院)
<b>“subsidiary” or “subsidiaries”</b>	has the meaning ascribed to it under the Companies Ordinance
<b>“substantial shareholder”</b>	has the meaning ascribed to it in the Listing Rules
<b>“Tencent”</b>	Tencent Holdings Limited (stock code: 700), or Tencent Holdings Limited and/or its subsidiaries, as the case may be
<b>“treasury shares”</b>	has the meaning ascribed to it in the Listing Rules
<b>“United States”</b>	the United States of America, its territories, its possessions and all areas subject to its jurisdiction

## Definitions

<b>“US\$” or “USD”</b>	United States dollars, the lawful currency for the time being of the United States
<b>“VIE” or “VIEs”</b>	variable interest entity or variable interest entities
<b>“WFOE” or “Beijing Dajia”</b>	Beijing Dajia Internet Information Technology Co., Ltd. (北京達佳互聯信息技術有限公司), a limited liability company incorporated under the laws of the PRC on July 2, 2014 and the indirect wholly-owned subsidiary
<b>“WVR” or “weighted voting right”</b>	has the meaning ascribed to it in the Listing Rules
<b>“WVR Beneficiaries”</b>	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Mr. SU Hua and Mr. CHENG Yixiao, being the holders of the Class A Shares, entitling each to weighted voting rights
<b>“%”</b>	per cent

### Notes:

1. In this annual report, the terms “associate”, “close associate”, “connected person”, “core connected person”, “connected transaction”, “controlling shareholder” and “substantial shareholder” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.
2. Certain amounts and percentage figures included in this annual report have been subject to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.
3. Unless otherwise indicated, DAUs and MAUs refer to Kuaishou App’s DAUs and MAUs respectively.
4. This annual report is printed in both Chinese and English languages. Should there be any discrepancy between the English language and the Chinese language, the English language shall prevail.
5. Certain statements included in this annual report, 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 annual report. 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 annual report 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 annual report or those that might reflect the occurrence of unanticipated events.



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