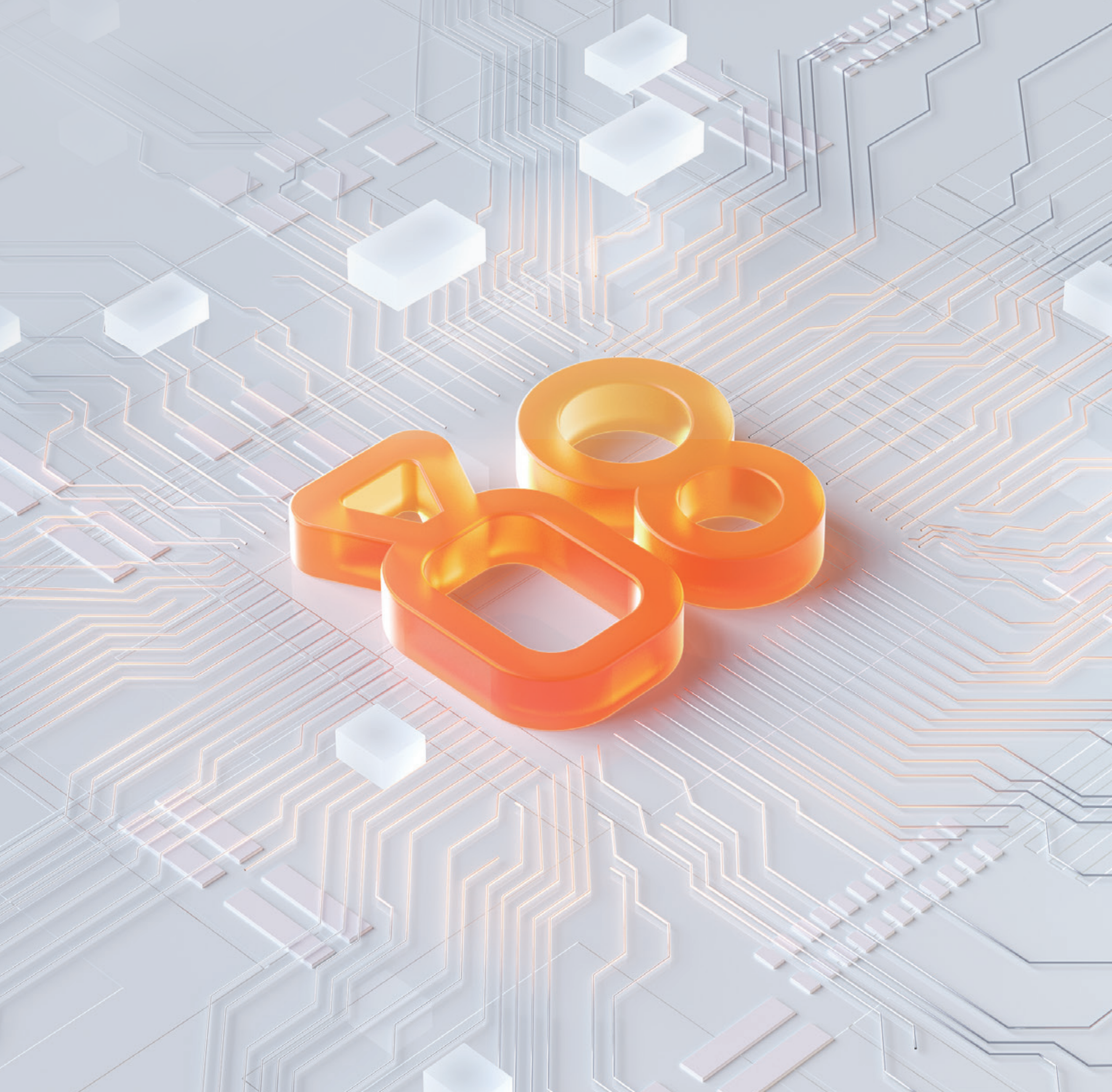
KUAISHOU

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 2024



Contents

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)

AUDIT COMMITTEE

Mr. HUANG Sidney Xuande (黃宣德) *(Chairman)*
Mr. MA Yin (馬寅)
Prof. XIAO Xing (肖星)

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)

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)

CORPORATE GOVERNANCE COMMITTEE

Mr. MA Yin (馬寅) *(Chairman)*
Mr. HUANG Sidney Xuande (黃宣德)
Prof. XIAO Xing (肖星)

JOINT COMPANY SECRETARIES

Mr. ZHAO Huaxia Matthew (趙華夏)
Ms. SO Ka Man (蘇嘉敏)

AUTHORIZED REPRESENTATIVES

Mr. CHENG Yixiao (程一笑)
Ms. SO Ka Man (蘇嘉敏)

AUDITOR

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

REGISTERED OFFICE

PO Box 309, Ugland 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

Corporate Information

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

Financial Summary and Operation Highlights

FINANCIAL SUMMARY

	Year Ended December 31,				
	2024		2023		
	Amount	**As a percentage of revenues**	Amount	As a percentage of revenues	Year-over-year change
	(RMB millions, except for percentages)				
Revenues	**126,898**	**100.0**	113,470	100.0	11.8%
Gross profit	**69,292**	**54.6**	57,391	50.6	20.7%
Operating profit	**15,287**	**12.0**	6,431	5.7	137.7%
Profit for the year	**15,344**	**12.1**	6,399	5.6	139.8%
Non-IFRS Accounting Standards Measures:					
Adjusted net profit[(1)] (unaudited)	**17,716**	**14.0**	10,271	9.1	72.5%
Adjusted EBITDA[(2)] (unaudited)	**24,770**	**19.5**	17,424	15.4	42.2%

	Unaudited Three Months Ended December 31,				
	2024		2023		
	Amount	**As a percentage of revenues**	Amount	As a percentage of revenues	Year-over-year change
	(RMB millions, except for percentages)				
Revenues	**35,384**	**100.0**	32,561	100.0	8.7%
Gross profit	**19,123**	**54.0**	17,292	53.1	10.6%
Operating profit	**4,268**	**12.1**	3,622	11.1	17.8%
Profit for the period	**3,974**	**11.2**	3,612	11.1	10.0%
Non-IFRS Accounting Standards Measures:					
Adjusted net profit[(1)]	**4,701**	**13.3**	4,362	13.4	7.8%
Adjusted EBITDA[(2)]	**6,869**	**19.4**	6,132	18.8	12.0%

Notes:

(1) 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.

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

Financial Summary and Operation Highlights

FINANCIAL INFORMATION BY SEGMENT

	Year Ended December 31, 2024			
	Domestic	**Overseas**	**Unallocated items[1]**	**Total**
		(RMB millions)		
Revenues	**122,202**	**4,696**	**—**	**126,898**
Operating profit/(loss)	**16,355**	**(934)**	**(134)**	**15,287**

	Year Ended December 31, 2023			
	Domestic	Overseas	Unallocated items[1]	Total
		(RMB millions)		
Revenues	111,186	2,284	—	113,470
Operating profit/(loss)	11,402	(2,789)	(2,182)	6,431

	Year-over-year change			
	Domestic	Overseas	Unallocated items[1]	Total
		(Percentages %)		
Revenues	9.9	105.6	—	11.8
Operating profit/(loss)	43.4	(66.5)	(93.9)	137.7

Financial Summary and Operation Highlights

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

	Unaudited Three Months Ended December 31, 2023			
	Domestic	Overseas	Unallocated items[1]	Total
		(RMB millions)		
Revenues	31,714	847	—	32,561
Operating profit/(loss)	4,250	(551)	(77)	3,622

	Year-over-year change			
	Domestic	Overseas	Unallocated items[1]	Total
		(Percentages %)		
Revenues	7.5	52.9	—	8.7
Operating profit/(loss)	2.6	(57.2)	N/A	17.8

Note:

(1) 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,	
	2024	2023
Average DAUs *(in millions)*	**399.4**	379.9
Average MAUs *(in millions)*	**709.7**	678.2
Average online marketing services revenue per DAU (*in RMB*)	**181.3**	158.7
Total e-commerce GMV[1] (*RMB in millions*)	**1,389,582.3**	1,184,370.8

	Three Months Ended December 31,	
	2024	2023
Average DAUs *(in millions)*	**401.0**	382.5
Average MAUs *(in millions)*	**735.6**	700.4
Average online marketing services revenue per DAU *(in RMB)*	**51.4**	47.6
Total e-commerce GMV[1] *(RMB in millions)*	**462,093.9**	403,908.2

Note:

(1) 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,				
	2020	2021	2022	2023	**2024**
			(RMB millions)		
Revenues	58,776	81,082	94,183	113,470	**126,898**
Gross profit	23,815	34,030	42,131	57,391	**69,292**
(Loss)/profit before income tax	(117,201)	(79,102)	(12,531)	6,889	**15,494**
(Loss)/profit for the year	(116,635)	(78,077)	(13,689)	6,399	**15,344**
(Loss)/profit for the year attributable to equity holders of the Company	(116,635)	(78,074)	(13,690)	6,396	**15,335**
Total comprehensive (loss)/income for the year	(105,996)	(77,054)	(11,621)	6,761	**15,599**
Total comprehensive (loss)/income for the year attributable to equity holders of the Company	(105,996)	(77,051)	(11,622)	6,758	**15,590**

Condensed Consolidated Balance Sheets

	As of December 31,				
	2020	2021	2022	2023	**2024**
			(RMB millions)		
ASSETS					
Non-current assets	20,619	39,504	43,449	45,935	**77,004**
Current assets	31,528	53,011	45,858	60,361	**62,869**
Total assets	52,147	92,515	89,307	106,296	**139,873**
EQUITY					
Total Equity	(160,050)	45,096	39,838	49,074	**62,024**
LIABILITIES					
Non-current liabilities	189,012	10,164	8,760	8,444	**18,021**
Current liabilities	23,185	37,255	40,709	48,778	**59,828**
Total liabilities	212,197	47,419	49,469	57,222	**77,849**
Total equity and liabilities	52,147	92,515	89,307	106,296	**139,873**

Chairman's Statement

Dear Shareholders,

In 2024, we delivered robust financial growth while making key advancements across our business to position ourselves for the next wave of technological transformation. We deepened engagement by offering enriched content experiences while making our operations more efficient. In the second half of 2024, our average DAUs surpassed 400 million, marking a significant milestone in our user ecosystem. Our total revenue increased by 11.8% year-over-year to RMB126.9 billion, and our adjusted net profit surged by 72.5% to RMB17.7 billion, reflecting both our operational efficiency and the increasing value of our ecosystem.

Technology remains the foundation of our growth, and the rapid evolution of large artificial intelligence (AI) models is ushering in a new era of innovation. We are at the forefront of this revolution, and AI will be the driving force behind our platform's transformation into a holistic AI-driven ecosystem. As we continue refining and deploying our models across our platform, we are building a more dynamic digital environment that empowers creators, enhances user experiences and strengthens our business ecosystem. Our investments in ***Kling AI (可靈AI)*** have already yielded remarkable results, fostering a more diverse global creative community while unlocking new commercialization opportunities.

Looking ahead, we will continue to adhere to our technology-driven, user-centric business philosophy, prioritize user needs, and actively promote the development of a thriving content and business ecosystem. At the same time, continuous advancements in AI technology provide us with a host of future growth opportunities and maintain our competitive edge in the ever-changing market, to achieve the long-term sustainable development of our business.

BUSINESS REVIEW AND OUTLOOK

Business Review

Over the past year, guided by our technology-driven, user-centric business philosophy, we harnessed advanced AI technology to empower our content and commercial ecosystem, creating greater value for both our users and business partners and achieving a robust financial performance. In the fourth quarter of 2024, our average DAUs remained above 400 million, and our total revenue grew by 8.7% year-over-year to RMB35.4 billion, and for the full year of 2024, it increased by 11.8% year-over-year to RMB126.9 billion. In the fourth quarter of 2024, our adjusted net profit reached RMB4.7 billion, and for the full year of 2024, it increased by 72.5% year-over-year to RMB17.7 billion, with an adjusted net profit margin of 14.0%, reflecting a steady improvement in our profitability.

As we head into the year of 2025, it has become increasingly evident that the ongoing advancements and breakthroughs in large models and application capabilities are pushing the boundaries of video content creation, user experience and broader commercial ecosystem. As a leading content community and social platform in China and globally, Kuaishou is at the forefront of this critical intersection of AI technology and large video models, driving transformative changes across the industry landscape. We firmly believe that AI is much more than an efficiency tool; it is the core engine that will drive our platform to create more value for commercial ecosystem while achieving traffic growth. We are proactively engaging and advancing the industry's profound transition.

Chairman's Statement

In the fourth quarter of 2024, we unveiled ***Kling (可靈)*** 1.6 model, an upgrade to our large video generation model. This latest version maintained our world-leading technological advantages while featuring enhanced responsiveness to text descriptions, such as motion, temporal actions and camera movements. It also notably improved visual quality in terms of style consistency, color accuracy, lighting dynamics and detailed rendering. In addition, we officially launched the standalone ***Kling AI (可靈AI)*** App in the fourth quarter of 2024, providing global users with multiple access points, including web page and standalone App. With the continuous improvements in its functionality, ***Kling AI's (可靈AI)*** user base has grown at an accelerated pace. ***Kling AI's (可靈AI)*** commercialization has also steadily gained momentum, reaching an important milestone of more than RMB100 million in cumulative revenue as of February 2025 since its monetization.

In the fourth quarter of 2024, we continued to deepen the application of AI large models in our content and commercial ecosystems. Leveraging on large models' capacity to comprehend short video, live streaming, comments and user interests, we improved our content recommendation accuracy, increasing user time spent and user engagement. In terms of commercialization scenarios, AIGC's capabilities significantly boosted the efficiency of clients' marketing materials production. In the fourth quarter of 2024, average daily spending on AIGC marketing materials exceeded RMB30 million.

User and content ecosystem

In the fourth quarter of 2024, the average DAUs on the Kuaishou App reached 401 million and MAUs reached 736 million, increasing by 4.8% and 5.0% year-over-year, respectively. The average daily time spent per DAU on the Kuaishou App was 125.6 minutes, and the total user time spent increased by 5.8% year-over-year. Through our increasingly refined user growth strategy, we have continuously improved new users' engagement, interaction and retention rates. By optimizing product features, iterating the traffic mechanism and improving content quality, we have enhanced user retention.

In terms of feature optimization, we focused on improving end-to-end viewing experience for users, optimizing the resolution and ensuring smooth streaming. We have continuously enhanced the video sharing and communication experience while introducing various innovative features in private messaging, which drove daily average private messaging penetration rate up by nearly 5 percentage points year-over-year in the fourth quarter of 2024 among users with mutual followers. In comments scenarios, we refined the comment ranking strategy, resulting in a year-over-year increase of over 40.0% in user time spent on comment features in the fourth quarter of 2024.

Content is the cornerstone of our thriving community. Understanding the reasons users open our App is central to our content strategy. Through targeted traffic distribution, we ensure that stand-out and high-quality contents featuring distinctive Kuaishou characteristics gain higher exposure. In the fourth quarter of 2024, content creator Da Bing's live streaming room emerged as a welcoming space for Kuaishou users to share their stories and interact with one another, strengthening heartfelt bonds between users and the content creator. In the pan-knowledge vertical, we partnered with ***Anwan Qin Opera Theater Troupe (安萬秦腔劇團)*** for offline tours and online live streaming, sparking widespread user engagement and discussions. The Troupe's New Year's Eve performance in Xi'an achieved over 140 million cumulative views across live streaming and short videos, fostering a connection between regional Kuaishou users both online and offline while promoting China's traditional art and intangible cultural heritage.

Online marketing services

In the fourth quarter of 2024, revenue from online marketing services grew by 13.3% year-over-year to RMB20.6 billion. For the full year of 2024, online marketing services revenue grew by over 20.0% year-over-year. In the fourth quarter of 2024, the clients' biding price (eCPM) for marketing services achieved a high single-digit year-on-year increase, serving as the primary driver of revenue growth in online marketing services. We captured incremental opportunities, such as commercialized short plays in online marketing services and improved the conversion rates of marketing material placement by leveraging AI large model technology to enhance the predictive capabilities of our marketing service recommendation models. In addition, our smart marketing solutions, including ***Universal Auto X (UAX, 全自動投放解決方案)*** placement solutions and omni-platform marketing solutions, have significantly enhanced the clients' marketing effectiveness.

In the fourth quarter of 2024, external marketing services continued to be primary driver of our online marketing services. In particular, the content-consumption industry, which included short plays, mini-games and novels, experienced faster growth. Notably, marketing spending from commercialized short plays surged more than three-fold year-over-year in the fourth quarter of 2024. On the product front, we upgraded the ***UAX*** placement solutions, transitioning from rule-based to model-based decision-making. As a result, ***UAX***-based marketing spending accounted for over 55.0% of total external marketing spending in the fourth quarter of 2024.

In the fourth quarter of 2024, closed-loop marketing services continued to support e-commerce merchants in leveraging high-quality traffic on Kuaishou and boost operating efficiency. In the fourth quarter of 2024, total marketing spending by merchants using our omni-platform marketing solutions and smart hosting products contributed approximately 55.0% of total closed-loop marketing spending. Through focusing on enhancing small and medium-sized merchants' willingness for marketing placement on our platform and improving advertising performance, we drove a year-over-year increase of over 30.0% in these merchants' marketing spending in the fourth quarter of 2024.

E-commerce

By leveraging our content-based scenarios and pan-shelf-based e-commerce advantages, our e-commerce GMV grew by 14.4% year-over-year to RMB462.1 billion in the fourth quarter of 2024. The more abundant e-commerce offerings and enhanced synergy efficiency of our omni-platform traffic have enabled us to better meet the needs of our users. In the fourth quarter of 2024, the number of e-commerce monthly active paying users increased by 10.0% year-over-year to 143 million, with MAU penetration rate achieving 19.5%. We also launched targeted programs to acquire new users from southern China markets and enhanced their activity while harnessing key promotional events and refining coupon and subsidy strategies. During the Double 11 Sales Promotion in 2024, we gained a net total of over 7 million new users and made persistent efforts to fortify our e-commerce users' loyalty for repeat purchases. Going forward, we will continue to uphold our user-centric strategy, and partner with merchants and KOLs to optimize consumers' shopping experience.

Chairman's Statement

In the fourth quarter of 2024, merchants in Kuaishou's e-commerce ecosystem continued to thrive, with the number of average monthly active merchants increased by more than 25.0% year-over-year. GMV from small and medium-sized merchants largely grew year-over-year in the fourth quarter of 2024, mainly driven by our three core strategies, namely improving policies for new merchant recruitment, optimizing policies for existing merchants and leveraging diversified scenarios. To encourage new merchants to use Kuaishou, we launched the ***Golden Bounty Initiative (斗金計劃)***, ***Set Sail Initiative (啟航計劃)*** and provided cold-start traffic support through targeted scenarios. These programs help early-stage merchants increase traffic, reduce operating costs and align incentives to their growth cycles and key transition points. We also worked with ecosystem partners to accelerate new merchants' growth, providing small and medium-sized merchants with refined methodologies for content-based e-commerce and establishing growth paths for merchants in KOL live streaming, short video and the shopping mall.

In terms of the KOL business, we strengthened the platform's merchandise management capabilities through our ***Blockbusters Initiative (爆品計劃)***, and broadened KOL's product offerings during sales promotion. Meanwhile, we further energized our content-based scenarios through diverse activities and marketing tools including ***KOL competition (達人PK賽)*** to motivate streamers. During the Double 11 Sales Promotion in 2024, more than 39 million users joined ***Group Buy for KOL followers*** (***達人粉絲購物團***), with over 2,500 live-streaming rooms achieving GMV exceeding RMB1 million.

In terms of diversified scenarios, in the fourth quarter of 2024, short video e-commerce GMV grew by more than 50.0% year-over-year. As important components to our content-based scenarios, both short video e-commerce and synergy between short video and live streaming e-commerce have been instrumental in helping merchants and KOLs expand their businesses. Meanwhile, in the fourth quarter of 2024, pan-shelf-based e-commerce GMV accounted for 30.0% of our total e-commerce GMV. Its growth consistently outperformed our overall GMV growth, driven by strong supply and demand. In the fourth quarter of 2024, average daily active merchants and average daily paying users in our shopping mall grew by over 50.0% and nearly 40.0% year-over-year, respectively. As our pan-shelf-based e-commerce increasingly complements our content-based scenarios, we have enhanced merchants' operational efficiency by strengthening the platform's control over blockbuster products.

Live streaming

In the fourth quarter of 2024, revenue from our live-streaming business was RMB9.8 billion, with the year-over-year decline continuing to narrow compared to the previous quarter. We are adamant about building a healthy, sustainable live-streaming ecosystem for the long term and achieving diversified growth propelled by high-quality content. By the end of the fourth quarter of 2024, the number of our partner talent agencies grew by more than 30.0%, and the number of talent agency-managed streamers increased by over 60.0%, both on a year-over-year basis. On the supply side, leading categories continued to create value, such as multi-host live streaming, group live streaming and ***Grand Stage (直播大舞台)***. In addition, by expanding user engagement on ***Grand Stage (直播大舞台)*** into rural towns, we accelerated our ability to discover and support local small and medium-sized streamers. In the fourth quarter of 2024, we explored comprehensive collaborations with key games including ***Game for Peace (和平精英)*** and ***CrossFire (穿越火線)*** in areas such as streamer growth, content co-creation and event promotion while further deepening our expertise in fighting games and other niche verticals. As a prime example of our "live streaming+" services empowering traditional industries, in the fourth quarter of 2024, the average daily number of users submitting resumes on ***Kwai Hire (快聘)*** increased by over 100% year-over-year, and the number of matches grew by over 270% year-over-year. For ***Ideal Housing (理想家)***, daily lead generation surged by over 260% compared with the same period last year.

Overseas

Regarding our overseas business, deeply rooted in Brazil, we continued investing in local content operations and brand marketing. On the traffic front, we achieved breakthroughs in innovative user acquisition channels in the fourth quarter of 2024, increasing DAUs by 9.3% year-over-year in Brazil. Benefiting from our optimized traffic distribution mechanism and cooperation with top-tier local IP resources, we have gradually built a rich, diversified content ecosystem with steadily growing user activity. In the fourth quarter of 2024, the average daily time spent per DAU in Brazil grew steadily year-over-year and quarter-over-quarter, exceeding 75 minutes.

In the fourth quarter of 2024, our total overseas revenue maintained rapid growth of 52.9% year-over-year. Notably, online marketing revenue increased by 83.5% year-over-year. Moreover, as a result of our effective control over costs and expenses, the operating loss from our overseas business narrowed by 57.2% year-over-year. We have initially validated our e-commerce business model in Brazil, achieving consistent growth in order volume with improved subsidy and operational efficiencies. These early successes have unlocked the potential for healthy, sustainable development potential in the Brazilian market.

Local services

In terms of our local services, GMV for local services was more than doubled year-over-year in the fourth quarter of 2024. We focused on city clusters with strong user base and consistently focused on meeting user needs by further optimizing price comparison capabilities and scenario applications, thereby enhancing a compelling value-for-money consumption experience to drive a 52.4% year-over-year increase in average monthly paying users in the fourth quarter of 2024. We also worked on improving content quality and optimizing user experience, which steadily increased conversion efficiency. In terms of monetization, revenue from local services grew by 2.6 times year-over-year in the fourth quarter of 2024 by further optimizing the infrastructure of our commercialization products. At the same time, we also strengthened our partnerships with more high-quality local operation- and lead-based merchants by leveraging our differentiated traffic resources, empowering merchants to achieve incremental growth on Kuaishou. In pursuing higher ROI for our local services, we further amplified subsidy and operational efficiencies. As a result, in the fourth quarter of 2024, operating loss for local services continued to narrow.

Business Outlook

As the new era of AI technology unfolds, we remain committed to advancing our AI strategy, aimed at becoming a leading AI-driven content platform. We will remain dedicated to our technology-driven, user-centric business philosophy, staying deeply attuned to users' needs, continuously expanding our content and product offerings and fostering our trust-based commercial ecosystem to create long-term value for our users, partners and Shareholders.

Mr. CHENG Yixiao
Chairman

Management Discussion and Analysis

YEAR ENDED DECEMBER 31, 2024 COMPARED TO YEAR ENDED DECEMBER 31, 2023

The following table sets forth the comparative figures in absolute amounts and as percentages of our total revenues for the years ended December 31, 2024 and 2023, respectively:

	Year Ended December 31,			
	2024		2023	
	RMB	***%***	*RMB*	*%*
	(in millions, except for percentages)			
Revenues	**126,898**	**100.0**	113,470	100.0
Cost of revenues	**(57,606)**	**(45.4)**	(56,079)	(49.4)
Gross profit	**69,292**	**54.6**	57,391	50.6
Selling and marketing expenses	**(41,105)**	**(32.4)**	(36,496)	(32.2)
Administrative expenses	**(2,916)**	**(2.3)**	(3,514)	(3.1)
Research and development expenses	**(12,199)**	**(9.6)**	(12,338)	(10.9)
Other income	**533**	**0.4**	978	0.9
Other gains, net	**1,682**	**1.3**	410	0.4
Operating profit	**15,287**	**12.0**	6,431	5.7
Finance income, net	**236**	**0.2**	539	0.5
Share of losses of investments accounted for using the equity method	**(29)**	**(0.0)**	(81)	(0.1)
Profit before income tax	**15,494**	**12.2**	6,889	6.1
Income tax expenses	**(150)**	**(0.1)**	(490)	(0.5)
Profit for the year	**15,344**	**12.1**	6,399	5.6
Non-IFRS Accounting Standards Measures:				
Adjusted net profit (unaudited)	**17,716**	**14.0**	10,271	9.1
Adjusted EBITDA (unaudited)	**24,770**	**19.5**	17,424	15.4

Revenues

Our revenues increased by 11.8% to RMB126.9 billion in 2024, from RMB113.5 billion in 2023. The increase was 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 in 2024 and 2023, respectively:

	Year Ended December 31,			
	2024		2023	
	RMB	***%***	*RMB*	%
	(in millions, except for percentages)			
Online marketing services	**72,419**	**57.1**	60,304	53.1
Live streaming	**37,061**	**29.2**	39,054	34.4
Other services	**17,418**	**13.7**	14,112	12.5
Total	**126,898**	**100.0**	113,470	100.0

Online marketing services

Revenue from our online marketing services increased by 20.1% to RMB72.4 billion in 2024 from RMB60.3 billion in 2023, primarily attributable to the increased consumption from marketing clients, driven by our optimized smart marketing solutions and the application of AI technology.

Live streaming

Revenue from our live streaming business decreased by 5.1% to RMB37.1 billion in 2024 from RMB39.1 billion in 2023, as a result of our continuous efforts in building a healthy and sustainable live streaming ecosystem.

Other services

Revenue from our other services increased by 23.4% to RMB17.4 billion in 2024 from RMB14.1 billion in 2023, primarily attributable to the growth of our e-commerce business, represented by the growth in our e-commerce GMV. The growth in e-commerce GMV was driven by increases in the number of e-commerce monthly active paying users and monthly active merchants as a result of our continuous refined omni-platform operating strategies.

Cost of Revenues

The following table sets forth our cost of revenues in absolute amounts and as percentages of our total revenues in 2024 and 2023, respectively:

	Year Ended December 31,			
	2024		2023	
	RMB	***%***	*RMB*	*%*
	(in millions, except for percentages)			
Revenue sharing costs and related taxes	**36,277**	**28.6**	34,957	30.8
Bandwidth expenses and server custody costs[1]	**5,761**	**4.5**	5,987	5.3
Depreciation of property and equipment and right-of-use assets, and amortization of intangible assets[1]	**6,467**	**5.1**	6,389	5.6
Employee benefit expenses	**2,804**	**2.2**	2,823	2.5
Payment processing costs	**2,819**	**2.2**	2,569	2.3
Other cost of revenues	**3,478**	**2.8**	3,354	2.9
Total	**57,606**	**45.4**	56,079	49.4

Note:

(1) 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 2.7% to RMB57.6 billion in 2024 from RMB56.1 billion in 2023, primarily attributable to increases in revenue sharing costs and related taxes in line with our revenue growth, and payment processing costs.

Gross Profit and Gross Profit Margin

The following table sets forth our gross profit both in absolute amounts and as percentages of our total revenues, or gross profit margin, in 2024 and 2023, respectively:

	Year Ended December 31,			
	2024		2023	
	RMB	***%***	*RMB*	*%*
	(in millions, except for percentages)			
Gross profit	**69,292**	**54.6**	57,391	50.6

As a result of the foregoing, our gross profit increased by 20.7% to RMB69.3 billion in 2024 from RMB57.4 billion in 2023. Our gross profit margin increased to 54.6% in 2024 from 50.6% in 2023.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 12.6% to RMB41.1 billion in 2024 from RMB36.5 billion in 2023, and increased to 32.4% in 2024 from 32.2% in 2023 as a percentage of our total revenues. The increase was primarily attributable to the increased spending in promotion activities.

Administrative Expenses

Our administrative expenses decreased by 17.0% to RMB2.9 billion in 2024 from RMB3.5 billion in 2023, primarily due to a decrease in employee benefit expenses, including the related share-based compensation expenses.

Research and Development Expenses

Our research and development expenses slightly decreased by 1.1% to RMB12.2 billion in 2024 from RMB12.3 billion in 2023, primarily due to a decrease in employee benefit expenses, including the related share-based compensation expenses.

Other Income

Our other income decreased from RMB978 million in 2023 to RMB533 million in 2024, primarily due to a decrease in value-added tax preferences, as a result of change in tax regulations.

Other Gains, Net

Our other gains, net increased to RMB1.7 billion in 2024 from RMB410 million in 2023, 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 RMB15.3 billion and an operating margin of 12.0% in 2024, compared to an operating profit of RMB6.4 billion and an operating margin of 5.7% in 2023.

The following table sets forth our operating profit/(loss) by segment in absolute amounts in 2024 and 2023, respectively:

	Year Ended December 31,		
	2024	2023	Year-over-year change
	(RMB millions, except for percentages)		
Domestic	**16,355**	11,402	43.4%
Overseas	**(934)**	(2,789)	(66.5%)
Unallocated items	**(134)**	(2,182)	(93.9%)
Total	**15,287**	6,431	137.7%

Management Discussion and Analysis

Our operating profit from the domestic segment increased to RMB16.4 billion in 2024 from RMB11.4 billion in 2023. The increase was primarily attributable to a 9.9% year-over-year growth in domestic revenues.

Our operating loss from the overseas segment narrowed to RMB934 million in 2024 from RMB2.8 billion in 2023, primarily attributable to rapid growth in overseas revenues.

Finance Income, Net

Our finance income, net decreased to RMB236 million in 2024, from RMB539 million in 2023, 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 RMB29 million in 2024, compared to RMB81 million in 2023.

Profit before Income Tax

As a result of the foregoing, we had a profit before income tax of RMB15.5 billion and RMB6.9 billion in 2024 and 2023, respectively.

Income Tax Expenses

Our income tax expenses decreased to RMB150 million in 2024 from RMB490 million in 2023, primarily due to the increase of deferred income tax benefits recognized on tax losses.

Profit for the Year

As a result of the foregoing, we had a profit of RMB15.3 billion and RMB6.4 billion in 2024 and 2023, respectively.

FOURTH QUARTER OF 2024 COMPARED TO FOURTH QUARTER OF 2023

The following table sets forth the comparative figures in absolute amounts and as percentages of our total revenues for the fourth quarter of 2024 and 2023, respectively:

	Unaudited Three Months Ended December 31,			
	2024		2023	
	RMB	%	RMB	%
	(in millions, except for percentages)			
Revenues	35,384	100.0	32,561	100.0
Cost of revenues	(16,261)	(46.0)	(15,269)	(46.9)
Gross profit	19,123	54.0	17,292	53.1
Selling and marketing expenses	(11,317)	(32.0)	(10,198)	(31.3)
Administrative expenses	(866)	(2.4)	(752)	(2.3)
Research and development expenses	(3,451)	(9.8)	(3,296)	(10.1)
Other income	187	0.5	379	1.2
Other gains, net	592	1.8	197	0.5
Operating profit	4,268	12.1	3,622	11.1
Finance income, net	19	0.0	135	0.5
Share of losses of investments accounted for using the equity method	(1)	(0.0)	(23)	(0.1)
Profit before income tax	4,286	12.1	3,734	11.5
Income tax expenses	(312)	(0.9)	(122)	(0.4)
Profit for the period	3,974	11.2	3,612	11.1
Non-IFRS Accounting Standards Measures:				
Adjusted net profit	4,701	13.3	4,362	13.4
Adjusted EBITDA	6,869	19.4	6,132	18.8

Revenues

Our revenues increased by 8.7% to RMB35.4 billion for the fourth quarter of 2024, from RMB32.6 billion for the same period of 2023. The increase was 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 of 2024 and 2023, respectively:

	Unaudited Three Months Ended December 31,			
	2024		2023	
	RMB	***%***	*RMB*	%
	(in millions, except for percentages)			
Online marketing services	**20,620**	**58.3**	18,203	55.9
Live streaming	**9,846**	**27.8**	10,048	30.9
Other services	**4,918**	**13.9**	4,310	13.2
Total	**35,384**	**100.0**	32,561	100.0

Online marketing services

Revenue from our online marketing services increased by 13.3% to RMB20.6 billion for the fourth quarter of 2024, from RMB18.2 billion for the same period of 2023, primarily attributable to the increased consumption from marketing clients driven by continuous optimization of smart marketing solutions and the application of AI technology.

Live streaming

Revenue from our live streaming business decreased by 2.0% to RMB9.8 billion for the fourth quarter of 2024, from RMB10.0 billion for the same period of 2023, as a result of our continuous efforts in building a healthy and sustainable live streaming ecosystem.

Other services

Revenue from our other services increased by 14.1% to RMB4.9 billion for the fourth quarter of 2024, from RMB4.3 billion for the same period of 2023, primarily due to the growth of our e-commerce business, represented by the growth in our e-commerce GMV. The growth in e-commerce GMV was driven by increases in the number of e-commerce monthly active paying users and monthly active merchants as a result of our continuous refined omni-platform operating strategies.

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 2024 and 2023, respectively:

	Unaudited Three Months Ended December 31,			
	2024		2023	
	RMB	*%*	*RMB*	*%*
	(in millions, except for percentages)			
Revenue sharing costs and related taxes	10,334	29.2	9,706	29.8
Bandwidth expenses and server custody costs[1]	1,527	4.3	1,496	4.6
Depreciation of property and equipment and right-of-use assets, and amortization of intangible assets[1]	1,713	4.8	1,600	4.9
Employee benefit expenses	757	2.1	764	2.3
Payment processing costs	846	2.4	800	2.5
Other cost of revenues	1,084	3.2	903	2.8
Total	16,261	46.0	15,269	46.9

Note:

(1) 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 6.5% to RMB16.3 billion for the fourth quarter of 2024, from RMB15.3 billion for the same period of 2023, primarily attributable to increases in revenue sharing costs and related taxes in line with our revenue growth, depreciation of property and equipment and right-of-use assets, and amortization of intangible assets.

Gross Profit and Gross Profit Margin

The following table sets forth our gross profit both in absolute amounts and as percentages of our total revenues, or gross profit margin, for the fourth quarter of 2024 and 2023, respectively:

	Unaudited Three Months Ended December 31,			
	2024		2023	
	RMB	*%*	*RMB*	*%*
	(in millions, except for percentages)			
Gross profit	19,123	54.0	17,292	53.1

As a result of the foregoing, our gross profit increased by 10.6% to RMB19.1 billion for the fourth quarter of 2024, from RMB17.3 billion for the same period of 2023. Our gross profit margin increased to 54.0% for the fourth quarter of 2024, from 53.1% for the same period of 2023.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 11.0% to RMB11.3 billion for the fourth quarter of 2024, from RMB10.2 billion for the same period of 2023, and increased to 32.0% for the fourth quarter of 2024 from 31.3% for the same period of 2023 as a percentage of our total revenues. The increase was primarily attributable to the increased spending in promotion activities.

Administrative Expenses

Our administrative expenses increased by 15.2% to RMB866 million for the fourth quarter of 2024, from RMB752 million for the same period of 2023, 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 4.7% to RMB3.5 billion for the fourth quarter of 2024, from RMB3.3 billion for the same period of 2023, primarily attributable to an increase in employee benefit expenses, including the related share-based compensation expenses.

Other Income

Our other income decreased to RMB187 million for the fourth quarter of 2024, from RMB379 million for the same period of 2023, primarily due to a decrease in value-added tax preferences, as a result of change in tax regulations.

Other Gains, Net

Our other gains, net increased to RMB592 million for the fourth quarter of 2024, from RMB197 million for the same period of 2023, 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 RMB4.3 billion and an operating margin of 12.1% for the fourth quarter of 2024, compared to an operating profit of RMB3.6 billion and an operating margin of 11.1% for the same period of 2023.

The following table sets forth our operating profit/(loss) by segment in absolute amounts for the fourth quarter of 2024 and 2023, respectively:

	Unaudited Three Months Ended December 31,		
	2024	2023	Year-over-year change
	(RMB millions, except for percentages)		
Domestic	**4,361**	4,250	2.6%
Overseas	**(236)**	(551)	(57.2%)
Unallocated items	**143**	(77)	N/A
Total	**4,268**	3,622	17.8%

Our operating profit from the domestic segment increased to RMB4.4 billion for the fourth quarter of 2024, from RMB4.3 billion for the same period of 2023, mainly due to a 7.5% year-over-year growth in domestic revenues.

Our operating loss from the overseas segment decreased to RMB236 million for the fourth quarter of 2024, from RMB551 million for the same period of 2023, primarily attributable to a 52.9% year-over-year growth in overseas revenues.

Finance Income, Net

Our finance income, net was RMB19 million for the fourth quarter of 2024, compared to RMB135 million for the same period of 2023. 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 RMB1 million for the fourth quarter of 2024, compared to RMB23 million for the same period of 2023.

Profit before Income Tax

As a result of the foregoing, we had a profit before income tax of RMB4.3 billion for the fourth quarter of 2024, compared to a profit before income tax of RMB3.7 billion for the same period of 2023.

Income Tax Expenses

Our income tax expenses increased to RMB312 million for the fourth quarter of 2024, from RMB122 million for the same period of 2023, primarily due to the decrease of deferred income tax benefits recognized on tax losses.

Profit for the Period

As a result of the foregoing, we had a profit of RMB4.0 billion for the fourth quarter of 2024, compared to a profit of RMB3.6 billion for the same period of 2023.

FOURTH QUARTER OF 2024 COMPARED TO THIRD 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 and the third quarter of 2024, respectively:

	Unaudited Three Months Ended			
	December 31, 2024		September 30, 2024	
	RMB	*%*	*RMB*	*%*
	(in millions, except for percentages)			
Revenues	**35,384**	**100.0**	31,131	100.0
Cost of revenues	**(16,261)**	**(46.0)**	(14,217)	(45.7)
Gross profit	**19,123**	**54.0**	16,914	54.3
Selling and marketing expenses	**(11,317)**	**(32.0)**	(10,364)	(33.3)
Administrative expenses	**(866)**	**(2.4)**	(796)	(2.6)
Research and development expenses	**(3,451)**	**(9.8)**	(3,100)	(10.0)
Other income	**187**	**0.5**	194	0.6
Other gains, net	**592**	**1.8**	271	1.0
Operating profit	**4,268**	**12.1**	3,119	10.0
Finance income, net	**19**	**0.0**	37	0.1
Share of losses of investments accounted for using the equity method	**(1)**	**(0.0)**	(6)	(0.0)
Profit before income tax	**4,286**	**12.1**	3,150	10.1
Income tax (expenses)/benefits	**(312)**	**(0.9)**	120	0.4
Profit for the period	**3,974**	**11.2**	3,270	10.5
Non-IFRS Accounting Standards Measures:				
Adjusted net profit	**4,701**	**13.3**	3,948	12.7
Adjusted EBITDA	**6,869**	**19.4**	5,578	17.9

Revenues

Our revenues increased by 13.7% to RMB35.4 billion for the fourth quarter of 2024, from RMB31.1 billion for the third quarter of 2024, primarily attributable to the growth of our online marketing services, e-commerce business and live streaming business.

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

	Unaudited Three Months Ended			
	December 31, 2024		September 30, 2024	
	RMB	***%***	*RMB*	*%*
	(in millions, except for percentages)			
Online marketing services	**20,620**	**58.3**	17,634	56.6
Live streaming	**9,846**	**27.8**	9,338	30.0
Other services	**4,918**	**13.9**	4,159	13.4
Total	**35,384**	**100.0**	31,131	100.0

Online marketing services

Revenue from our online marketing services increased by 16.9% to RMB20.6 billion for the fourth quarter of 2024, from RMB17.6 billion for the third quarter of 2024, primarily attributable to the e-commerce promotional events in the fourth quarter of 2024.

Live streaming

Revenue from our live streaming business increased by 5.4% to RMB9.8 billion for the fourth quarter of 2024, from RMB9.3 billion for the third quarter of 2024, primarily due to diversified high-quality content and healthy live streaming ecosystem.

Other services

Revenue from our other services increased by 18.2% to RMB4.9 billion for the fourth quarter of 2024, from RMB4.2 billion for the third quarter of 2024, primarily due to the growth of our e-commerce business, represented by the growth in our e-commerce GMV. The growth in e-commerce GMV was driven by the e-commerce promotional campaigns in the fourth quarter of 2024.

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 2024, respectively:

	Unaudited Three Months Ended			
	December 31, 2024		September 30, 2024	
	RMB	%	RMB	%
	(in millions, except for percentages)			
Revenue sharing costs and related taxes	**10,334**	**29.2**	8,873	28.5
Bandwidth expenses and server custody costs[(1)]	**1,527**	**4.3**	1,465	4.7
Depreciation of property and equipment and right-of-use assets, and amortization of intangible assets[(1)]	**1,713**	**4.8**	1,624	5.2
Employee benefit expenses	**757**	**2.1**	689	2.2
Payment processing costs	**846**	**2.4**	669	2.1
Other cost of revenues	**1,084**	**3.2**	897	3.0
Total	**16,261**	**46.0**	14,217	45.7

Note:

(1) 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 14.4% to RMB16.3 billion for the fourth quarter of 2024, from RMB14.2 billion for the third quarter of 2024, primarily attributable to increases in revenue sharing costs and related taxes in line with our revenue growth, payment processing costs and content costs as part of other cost of revenues.

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 2024, respectively:

	Unaudited Three Months Ended			
	December 31, 2024		September 30, 2024	
	RMB	%	RMB	%
	(in millions, except for percentages)			
Gross profit	**19,123**	**54.0**	16,914	54.3

As a result of the foregoing, our gross profit increased by 13.1% to RMB19.1 billion for the fourth quarter of 2024, from RMB16.9 billion for the third quarter of 2024. Our gross profit margin decreased to 54.0% for the fourth quarter of 2024, from 54.3% for the third quarter of 2024.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 9.2% to RMB11.3 billion for the fourth quarter of 2024, from RMB10.4 billion for the third quarter of 2024, primarily due to the increased spending in promotion activities. As a percentage of our total revenues, selling and marketing expenses decreased to 32.0% for the fourth quarter of 2024, from 33.3% for the third quarter of 2024, primarily attributable to improved operating efficiency.

Administrative Expenses

Our administrative expenses were RMB866 million for the fourth quarter of 2024, compared to RMB796 million for the third quarter of 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 were RMB3.5 billion for the fourth quarter of 2024, compared to RMB3.1 billion for the third quarter of 2024, primarily attributable to an increase in employee benefit expenses, including the related share-based compensation expenses.

Other Income

Our other income was RMB187 million and RMB194 million for the fourth quarter and the third quarter of 2024, respectively.

Other Gains, Net

Our other gains, net increased to RMB592 million for the fourth quarter of 2024, from RMB271 million for the third quarter of 2024, primarily due to the changes in foreign exchange and fair value of financial assets at fair value through profit or loss.

Operating Profit

As a result of the foregoing, we had an operating profit of RMB4.3 billion for the fourth quarter of 2024, compared to an operating profit of RMB3.1 billion for the third quarter of 2024, and our operating margin was 12.1% for the fourth quarter of 2024, compared to 10.0% for the third quarter of 2024.

Management Discussion and Analysis

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

	Unaudited Three Months Ended		
	December 31, 2024	September 30, 2024	Quarter-over-quarter change
	(RMB millions, except for percentages)		
Domestic	**4,361**	3,505	24.4%
Overseas	**(236)**	(153)	54.2%
Unallocated items	**143**	(233)	N/A
Total	**4,268**	3,119	36.8%

Our operating profit from the domestic segment increased to RMB4.4 billion for the fourth quarter of 2024, from RMB3.5 billion for the third quarter of 2024, mainly due to a 14.4% quarter-over-quarter growth in domestic revenues.

Our operating loss from the overseas segment was RMB236 million for the fourth quarter of 2024, compared to RMB153 million for the third quarter of 2024.

Finance Income, Net

Our finance income, net was RMB19 million and RMB37 million for the fourth quarter and the third quarter of 2024, respectively.

Share of Losses of Investments Accounted for Using the Equity Method

Our share of losses of investments accounted for using the equity method was RMB1 million for the fourth quarter of 2024, compared to RMB6 million for the third quarter of 2024.

Profit before Income Tax

As a result of the foregoing, we had a profit before income tax of RMB4.3 billion for the fourth quarter of 2024, compared to a profit before income tax of RMB3.2 billion for the third quarter of 2024.

Income Tax (Expenses)/Benefits

We had income tax expenses of RMB312 million for the fourth quarter of 2024, compared to income tax benefits of RMB120 million for the third quarter of 2024. The change was primarily due to the decrease of deferred income tax benefits recognized on tax losses.

Profit for the Period

As a result of the foregoing, we had a profit of RMB4.0 billion for the fourth quarter of 2024, compared to a profit of RMB3.3 billion for the third quarter of 2024.

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, 2024 and 2023, respectively, to the nearest measures prepared in accordance with IFRS Accounting Standards:

	Year Ended December 31,	
	2024	2023
	(RMB millions)	
Profit for the year	**15,344**	6,399
Adjusted for:		
Share-based compensation expenses	**2,349**	3,570
Net fair value changes on investments[1]	**23**	302
Adjusted net profit (unaudited)	**17,716**	10,271
Adjusted net profit (unaudited)	**17,716**	10,271
Adjusted for:		
Income tax expenses	**150**	490
Depreciation of property and equipment	**4,064**	3,989
Depreciation of right-of-use assets	**2,972**	3,065
Amortization of intangible assets	**104**	148
Finance income, net	**(236)**	(539)
Adjusted EBITDA (unaudited)	**24,770**	17,424

The following table sets forth the reconciliations of our non-IFRS Accounting Standards financial measures for the fourth quarter of 2024, the third quarter of 2024 and the fourth quarter of 2023, respectively, to the nearest measures prepared in accordance with IFRS Accounting Standards:

	Unaudited Three Months Ended		
	December 31, 2024	September 30, 2024	December 31, 2023
		(RMB millions)	
Profit for the period	**3,974**	3,270	3,612
Adjusted for:			
Share-based compensation expenses	**636**	698	653
Net fair value changes on investments[1]	**91**	(20)	97
Adjusted net profit	**4,701**	3,948	4,362
Adjusted net profit	**4,701**	3,948	4,362
Adjusted for:			
Income tax expenses/(benefits)	**312**	(120)	122
Depreciation of property and equipment	**1,093**	997	1,018
Depreciation of right-of-use assets	**756**	765	732
Amortization of intangible assets	**26**	25	33
Finance income, net	**(19)**	(37)	(135)
Adjusted EBITDA	**6,869**	5,578	6,132

Note:

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

LIQUIDITY AND FINANCIAL RESOURCES

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 RMB12.7 billion as of December 31, 2024, compared to RMB12.9 billion as of December 31, 2023.

Our total available funds which we considered in cash management included but not limited to cash and cash equivalents, time deposits, financial assets and restricted cash. Financial assets mainly included wealth management products and others. The aggregate amount of our available funds was RMB92.8 billion as of December 31, 2024, compared to RMB61.6 billion as of December 31, 2023.

The following table sets forth a summary of our cash flows for the years ended December 31, 2024 and 2023, respectively:

	Year Ended December 31,	
	2024	2023
	(RMB millions)	
Net cash generated from operating activities	**29,787**	20,781
Net cash used in investing activities	**(36,677)**	(19,865)
Net cash generated from/(used in) financing activities	**6,714**	(1,364)
Net decrease in cash and cash equivalents	**(176)**	(448)
Cash and cash equivalents at the beginning of the year	**12,905**	13,274
Effects of exchange rate changes on cash and cash equivalents	**(32)**	79
Cash and cash equivalents at the end of the year	**12,697**	12,905

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, 2024, our net cash generated from operating activities was RMB29.8 billion, which was primarily attributable to our profit before income tax of RMB15.5 billion, adjusted by non-cash items, primarily comprising depreciation of property and equipment of RMB4.1 billion, depreciation of right-of-use assets of RMB3.0 billion and share-based compensation expenses of RMB2.3 billion. The amount was further adjusted by changes in working capital, which primarily comprised increases in accounts payables of RMB3.5 billion and other payables and accruals of RMB3.0 billion. We also paid income tax of RMB1.0 billion.

Net Cash Used in Investing Activities

For the year ended December 31, 2024, our net cash used in investing activities was RMB36.7 billion, which was primarily attributable to the net investments in financial assets at fair value through profit or loss of RMB18.8 billion, net investments in time deposits with initial terms of over three months of RMB11.6 billion and purchase of property, equipment and intangible assets of RMB8.1 billion.

Net Cash Generated from Financing Activities

For the year ended December 31, 2024, our net cash generated from financing activities was RMB6.7 billion, which was primarily attributable to the net proceeds from borrowings of RMB11.1 billion, net proceeds under notes arrangements of RMB3.9 billion, payments for shares repurchase of RMB4.9 billion and payments for principal elements of lease and related interests of RMB3.2 billion.

BORROWINGS

As of December 31, 2024, we had total borrowings of RMB11.1 billion. Details of our borrowings are disclosed in Note 28 to the Consolidated Financial Statements in this annual report.

GEARING RATIO

As of December 31, 2024, our gearing ratio, calculated as total borrowings divided by total equity attributable to equity holders of the Company, was 17.9%.

CONTINGENT LIABILITIES

We did not have any material contingent liabilities as of December 31, 2024.

SIGNIFICANT INVESTMENTS HELD

As of December 31, 2024, 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, 2024, 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, 2024, 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.

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, 2024, a subsidiary of the Group with functional currency of USD had RMB-denominated bank borrowings amounting to RMB11.1 billion (December 31, 2023: 0). 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, 20, 28 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 2020 Issuance of Convertible Redeemable Preferred Shares

The Company raised net proceeds of approximately RMB20,956.5 million from issuance of convertible redeemable series F-1 & F-2 preferred shares during the year ended December 31, 2020 (the "**2020 Issuance of Convertible Redeemable Preferred Shares**"). The convertible redeemable series F-1 & F-2 preferred shares were automatically converted into Class B Shares upon the Listing.

There has been no change in the intended use of net proceeds. The Group has utilized the net proceeds from the 2020 Issuance of Convertible Redeemable Preferred Shares as set out in the table below:

Net proceeds raised *(RMB million)*	Proposed use of net proceeds	Amount of net proceeds utilized as of December 31, 2024 *(RMB million)*	Balance of net proceeds as of December 31, 2024 *(RMB million)*	Expected timeline of full utilization of net proceeds
20,956.5	Business operations and other general corporate purposes	15,910.9	—	Used up
	Capital expenditure	5,045.6		Used up

Further Change in 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.

Reference is made to 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**"). As of December 31, 2024, the total unutilized net proceeds from the Global Offering amounted to approximately HK$8,086.5 million (the "**Unutilized Net Proceeds**"). After due and careful consideration of the reasons and benefits as set out below, the Board has resolved to further change the use of the Unutilized Net Proceeds and extend the expected timeline (the "**2025 Reallocation**") in the following manner:

	Allocation of the net proceeds as set out in the Prospectus *(HK$ million)*	Amount of net proceeds unutilized immediately before the 2023 Reallocation *(HK$ million)*	Amount of unutilized net proceeds after the 2023 Reallocation *(HK$ million)*	Amount of net proceeds utilized after the 2023 Reallocation up to December 31, 2024 *(HK$ million)*	Amount of Unutilized Net Proceeds as of December 31, 2024 *(HK$ million)*	Revised allocation of the Unutilized Net Proceeds after the 2025 Reallocation *(HK$ million)*	Expected timeline of full utilization of the Unutilized Net Proceeds
Enhance and grow the ecosystem	16,437.5	578.2	4,737.3	774.9	3,962.4	2,021.6	Before December 31, 2026
Strengthen research and development and technological capabilities	14,089.3	722.1	4,237.3	587.5	3,649.8	2,021.6	Before December 31, 2026
Selectively acquire or invest in products, services and businesses	11,741.1	11,236.1	500.0	25.7	474.3	—	—
Working capital and general corporate purposes	4,969.5	96.5	3,158.3	3,158.3	—	4,043.3	Before December 31, 2026
Total	46,964.4	12,632.9	12,632.9	4,546.4	8,086.5	8,086.5	

Reasons and Benefits for the Further Change in Use of Proceeds

The Group has been continuously improving its profitability and successfully turned losses into profits in 2023. With the improved operational efficiency and profitability, the Company has been able to fund the further development of its ecosystem and R&D activities from, among others, cash generated from its operating activities. Furthermore, quality acquisition and investment targets with appropriate values and synergistic to the current business of the Company are expected to be relatively limited. In consideration of the macroeconomic condition and the business strategy of the Group, the Company has taken a cautious and prudent approach in devoting resources in acquiring or investing in domestic and overseas target companies. As such, the reliance on the net proceeds from the Global Offering to fund the Company's ecosystem, research and development and technological capabilities, and acquisition and investment has been reduced.

Taking into consideration of the above, the Board determined to appropriately reallocate part of the Unutilized Net Proceeds to working capital and general corporate purposes (including share repurchases) to achieve greater flexibility in the allocation of the Company's internal resources for the daily operation, and enhance the utilization efficiency of the capital by avoiding idling of funds. Due to the improved profitability and disciplined management in its cash resources, the Board expects that additional time is required before fully utilizing the Unutilized Net Proceeds.

The Group will continue to focus on the strategic needs of long-term development and further optimize operational and monetization efficiency. In view of the above, the Board considers that the further change in use of the Unutilized Net Proceeds is fair and reasonable and in the best interest of the Company and the Shareholders as a whole.

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. The Group promotes content on its platform that embraces all lifestyles and reflects the lives of its users.

- **Business**: The Group works with its business partners to provide products and services that address the various needs that arise naturally on its platform. These products and services include entertainment, online marketing services, e-commerce, online games, online knowledge-sharing, 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.

Report of the Board of Directors

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.

Dividend Policy and Final Dividends

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 its 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 its statutory common reserves, which are not available for distribution as cash dividends.

Subject to the requirements of the Articles of Association, Cayman Islands law and other applicable laws and regulations, the Board has discretion to recommend any dividend. No dividend or other distribution shall be paid except out of the realized or unreleased profits of the Company, out of the share premium account or as otherwise permitted by law. The determination to pay dividends will be made at the discretion of the Board and will depend upon the Group's earnings and financial condition, operating requirements, capital and investment requirements, level of indebtedness and any other factors that the Board may deem relevant. The Company will continue to re-evaluate its dividend policy in light of its financial condition and the prevailing economic environment. 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.

After due consideration of the Shareholders' as well as the Company's long-term interests, the Board did not recommend the payment of a final dividend for the Reporting Period. The Company may distribute dividends in the future by way of cash or by other means that the Board considers appropriate.

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).

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.

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 24,718 full-time employees as of December 31, 2024. 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.

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, it 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 10 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 15 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 24 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 38 to the Consolidated Financial Statements in this annual report. As of December 31, 2024, the Company had distributable reserves amounting to RMB93,480 million.

Bank Loans and Other Borrowings

Details of the borrowings are set out in Note 28 to the Consolidated Financial Statements in this annual report. As of December 31, 2024, the Group had total borrowings of RMB11.1 billion.

Issue of Debentures

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

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

During the year ended December 31, 2024 and up to the Latest Practicable Date, the Company repurchased a total of 151,612,800 Class B Shares (the "**Shares Repurchased**") on the Stock Exchange at an aggregate consideration of HK$6,834,443,096.49. The repurchase was effected for the enhancement of shareholder 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 Highest *(HK$)*	Price paid per Share Lowest *(HK$)*	Aggregate Consideration *(HK$)*
January 2024	12,986,000	51.85	38.85	573,165,403.11
February 2024	9,793,200	46.25	38.45	426,284,299.06
March 2024	7,226,900	51.75	43.10	342,663,422.95
April 2024	4,571,500	50.00	44.05	219,923,443.35
May 2024	2,960,600	59.95	54.90	169,926,425.13
June 2024	6,401,800	52.00	46.05	310,500,686.11
July 2024	5,866,200	48.15	43.55	269,331,538.50
August 2024	24,205,400	45.15	37.70	1,000,866,234.36
September 2024	17,099,500	41.75	37.80	671,487,334.14
October 2024	3,428,900	54.95	44.75	165,685,502.29
November 2024	12,207,000	52.60	44.10	567,943,882.60
December 2024	16,677,700	49.45	41.25	746,108,708.58
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 *(up to the Latest Practicable Date)*	4,013,400	49.65	44.60	185,984,165.68
Total	151,612,800			6,834,443,096.49

As of the Latest Practicable Date, a total of 135,767,500 Class B Shares repurchased from December 18, 2023 to February 3, 2025 have been cancelled on January 31, February 29, March 28, April 30, June 6, July 31, August 30, September 30, October 31, November 29, December 24, 2024, January 24, and February 28, 2025, respectively, and the number of Class B Shares in issue was reduced by 135,767,500 shares as a result of the cancellation. Upon cancellation of such Class B Shares, Reach Best, a holder of Class A Shares, simultaneously converted a total of 23,507,635 Class A Shares into Class B Shares on a one-to-one ratio on the same days, pursuant to Rule 8A.21 of the Listing Rules, such that the proportion of shares carrying weighted voting rights of the Company would not be increased, pursuant to the requirements under Rules 8A.13 and 8A.15 of the Listing Rules. As of the Latest Practicable Date, a total of 17,731,800 Class B Shares repurchased had not been cancelled. As of December 31, 2024, 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 purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) in the year ended December 31, 2024 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, holdings, 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 RMB47 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 were 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, 2024

Save as otherwise disclosed in this annual report, there were no other significant events affecting the Group which occurred after December 31, 2024 and up to the Latest Practicable Date.

Annual General Meeting

The 2025 AGM will be held on Thursday, June 19, 2025. A notice convening the 2025 AGM will be published and dispatched to the Shareholders in the manner required by the Listing Rules in due course.

Closure of Register of Members

For determining the entitlement to attend and vote at the 2025 AGM, the register of members of the Company will be closed from Monday, June 16, 2025 to Thursday, June 19, 2025 (both days inclusive), during which period no transfer of shares of the Company will be registered. The record date will be Thursday, June 19, 2025. In order to be eligible to attend and vote at the 2025 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 Friday, June 13, 2025.

Weighted Voting Rights

The Company is controlled through weighted voting rights. Each Class A Share has 10 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, 399,849,732 Class A Shares and 27,619,789 Class B Shares, representing approximately 9.92% of the Company's total issued share capital, approximately 9.92% of the voting rights in the Company with respect to shareholder resolutions in relation to the Reserved Matters, and approximately 36.74% 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 8.88% of the Company's total issued share capital, approximately 8.88% of the voting rights in the Company with respect to shareholder resolutions in relation to the Reserved Matters, and approximately 31.32% 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 738,617,212 Class B Shares, representing approximately 20.68% of the total number of issued and outstanding Class B Shares as of the Latest Practicable Date.

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)

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 2025 AGM. Details of the Directors to be re-elected at the 2025 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 41, 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.

Mr. SU Hua (宿華先生)

Mr. SU Hua, aged 42, 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. (a company listed on Nasdaq with stock symbol of BIDU and its secondary listing on the Stock Exchange with stock code of 9888) 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 49, 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.

Reference is made to the 2022 interim report of the Company. The Company was recently notified by Mr. LI that:

(a) the lead plaintiff in the securities class action lawsuits against BEKE in the United States (the "**BEKE Lawsuit**") has voluntarily dismissed their claims against certain defendants, including Mr. LI; and

(b) the securities class action lawsuits against Missfresh Limited in the United States (the "**MF Lawsuit**", together with BEKE Lawsuit, the "**Lawsuits**") were settled and the plaintiffs have dismissed their claims against the defendant parties, including Mr. LI.

Securities class action lawsuit is not uncommon among companies listed in the United States. The Lawsuits do not involve the Group and the Board does not consider that the Lawsuits will have any material adverse impact on the business and/or operations of any member of the Group.

Mr. ZHANG Fei (張斐先生)

Mr. ZHANG Fei, aged 52, 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 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 60, 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 46, 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.

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 59, 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 15 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, including the last three months as an executive coach to his successor.

Mr. HUANG has served as an independent non-executive director of MIXUE Group (a company listed on the Stock Exchange with stock code of 2097 on March 3, 2025) 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 has been an independent director of Yatsen Holding Limited (a company listed on the New York Stock Exchange with stock symbol of YSG) since November 2020.

Mr. HUANG previously served as chief financial officer of VanceInfo Technologies Inc. and its successor company, Pactera Technology International Ltd., from July 2006 to September 2013. He was also the chief operating officer of VanceInfo 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.

Mr. MA Yin (馬寅先生)

Mr. MA Yin, aged 50, 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 54, 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. She joined the Group in September 2023 and is primarily responsible for providing independent judgment to the Board.

Prof. XIAO is a professor of the accounting department of the School of Economics and Management of Tsinghua University, where she has taught classes since April 1997. During her time at the Tsinghua University, Prof. XIAO visited Massachusetts Institute of Technology and University of Wisconsin as a visiting scholar and received the Fulbright Scholar award in 2011. Prof. XIAO also served as a faculty co-chair in the senior executive program which was jointly held by the School of Economics and Management of Tsinghua University, China Europe International Business School and Harvard Business School. Prof. XIAO's main research areas are corporate governance, financial management, financial statement analysis and financial accounting.

Prof. XIAO has served as an independent non-executive director of Li Auto Inc. (a company listed on Nasdaq with stock symbol of LI and on the Stock Exchange with stock code of 02015) since August 2021; an independent director of Mango Excellent Media Co., Ltd. (a company listed on the Shenzhen Stock Exchange with stock code of 300413) since January 2019; an independent director of Bloomage Biotechnology Corporation Limited (a company listed on the Shanghai Stock Exchange with stock code of 688363) from March 2019 to April 2022; an independent non-executive director of Agricultural Bank of China Limited (a company listed on the Shanghai Stock Exchange with stock code of 601288 and on the Stock Exchange with stock code of 01288) from March 2015 to November 2021; and an independent director of Aixin Life Co., Ltd. since August 2017. Prof. XIAO accumulated corporate governance knowledge and experience through her academic research and the foregoing directorships.

Prof. XIAO received a bachelor's degree in mechanical engineering and a second bachelor's degree in business management from Tsinghua University in July 1994 and a master's degree in industrial foreign trade (accounting) from Tsinghua University in March 1997. Prof. XIAO obtained her doctorate degree in business administration from Tsinghua University in January 2004.

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 41, 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 42, 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 47, 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 public service, 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 40, 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.

Mr. YANG Yuanxi (楊遠熙先生)

Mr. YANG Yuanxi, aged 40, 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, 2023 to December 31, 2025, 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 May 15, 2023 to May 14, 2026. 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 salaries 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. Prof. XIAO Xing, as an independent non-executive Director, has entered into an appointment letter with the Company for a term of three years from September 13, 2023 to September 12, 2026. 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.

Save as disclosed above, none of the Directors (including the Directors proposed for re-election at the 2025 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 10(b) to the Consolidated Financial Statements in this annual report.

Directors' Interests in Transactions, Arrangements and Contracts of Significance

Save as disclosed in Note 10(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, 2024.

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, 2024 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.

Mr. SU Hua waived his discretionary bonus entitlement from the Company for the year ended December 31, 2024, and agreed to waive his discretionary bonus entitlement from the Company for the year ending December 31, 2025. Save as disclosed above, none of the other 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 10 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 10 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, 2024, 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:

(a) Interest in Shares of the Company

Name	Capacity/ Nature of interest[1]	Number and class of shares held	Approximate percentage of shareholding of relevant class of shares in the Company[2]	Approximate percentage of shareholding in the issued and outstanding share capital of the Company[2]
Class A Shares — Mr. SU Hua				
Reach Best[3]	Beneficial interest (L)	403,124,266 Class A Shares	54.34%	9.39%
Vistra Trust (Singapore) Pte. Limited	Trustee[3] (L)	403,124,266 Class A Shares	54.34%	9.39%
Mr. SU Hua	Beneficiary of a trust[3] Founder of a trust[3] (L)	403,124,266 Class A Shares	54.34%	9.39%
Class A Shares — Mr. CHENG Yixiao				
Ke Yong[4]	Beneficial interest (L)	338,767,480 Class A Shares	45.66%	7.89%
Vistra Trust (Singapore) Pte. Limited	Trustee[4] (L)	338,767,480 Class A Shares	45.66%	7.89%
Mr. CHENG Yixiao	Beneficiary of a trust[4] Founder of a trust[4] (L)	338,767,480 Class A Shares	45.66%	7.89%
Class B Shares — Mr. SU Hua				
Reach Best[3]	Beneficial interest (L)	24,345,255 Class B Shares	0.69%	0.57%
Vistra Trust (Singapore) Pte. Limited	Trustee[3] (L)	24,345,255 Class B Shares	0.69%	0.57%
Mr. SU Hua	Beneficiary of a trust[3] Founder of a trust and other[3] (L)	30,044,358 Class B Shares	0.85%	0.70%
Class B Shares — Mr. CHENG Yixiao				
Ke Yong[4]	Beneficial interest (L)	43,770,873 Class B Shares	1.23%	1.02%
Vistra Trust (Singapore) Pte. Limited	Trustee[4] (L)	43,770,873 Class B Shares	1.23%	1.02%
Mr. CHENG Yixiao	Beneficiary of a trust[4] Founder of a trust[4] (L) Beneficial interest[4] (L)	60,017,629 Class B Shares	1.69%	1.40%
Class B Shares — Mr. ZHANG Fei				
Mr. ZHANG Fei	Founder of a trust[5] (L)	26,728,522 Class B Shares	0.75%	0.62%

Notes:

(1) The letter "L" denotes long position.

(2) As of December 31, 2024, the Company had 4,295,024,492 issued and outstanding share capital in total, comprising 741,891,746 Class A Shares and 3,553,132,746 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 403,124,266 Class A Shares and 24,345,255 Class B Shares held by Reach Best under the SFO as of December 31, 2024.

As of December 31, 2024, 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, 2024.

As of December 31, 2024, 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.

(b) Interest in associated corporations

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

Save as disclosed above, as far as the Directors are aware and as of December 31, 2024, 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, 2024, 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[(1)]	Number and class of shares held	Approximate percentage of shareholding of relevant class of shares in the Company[(2)]	Approximate percentage of shareholding in the issued and outstanding share capital of the Company[(2)]
Class B Shares				
Tencent Holdings Limited[(3)]	Interest in controlled corporations (L)	678,583,107 Class B Shares	19.10%	15.80%
Tencent Mobility Limited[(3)]	Beneficial interest (L)	506,143,854 Class B Shares	14.25%	11.78%
BlackRock, Inc.[(4)]	Interest in controlled corporations (L)	179,279,962 Class B Shares	5.05%	4.17%
	Interest in controlled corporations (S)	4,337,100 Class B Shares	0.12%	0.10%

Notes:

(1) The letter "L" denotes long position, and the letter "S" denotes short position.

(2) As of December 31, 2024, the Company had 4,295,024,492 issued and outstanding share capital in total, comprising 741,891,746 Class A Shares and 3,553,132,746 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 179,279,962 Class B Shares in long position and 4,337,100 Class B Shares in short position through its various subsidiaries or entities controlled by it, which included 5,972,000 underlying Class B Shares in long position and 1,467,300 underlying Class B Shares in short position through its holding of certain unlisted derivatives (cash settled).

Save as disclosed above, as of December 31, 2024, 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.

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 16.52% 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.

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.

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.

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[1]	Exercise period	Exercise Price (US$)	Number of Class B Shares underlying Options outstanding as of January 1, 2024	Number of Options exercised during the Reporting Period	Weighted average price of Class B Shares immediately before the dates of exercise (HK$)	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, 2024
Director										
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
Other grantees										
Employees	December 22, 2014 to January 7, 2021	0–4 years	August 6, 2021 to March 31, 2031	0.0422–16.66	51,792,255	(20,353,977)	48.63	(19,626)	(2,327,733)	29,090,919
Total					57,491,358	(20,353,977)		(19,626)	(2,327,733)	34,790,022

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.

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.

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.

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 7.75% 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.

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.

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

						Particulars of Options granted during the Reporting Period								
Name	Date of Grant	Vesting period[1]	Exercise period	Exercise Price (HK$)	Number of Class B Shares underlying Options outstanding as of January 1, 2024	Number of Class B Shares underlying Options granted during the Reporting Period	Performance Targets of the Options granted during the Reporting Period	Closing price of the Class B Shares immediately before the date on which the Options were granted (HK$)	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, 2024
Director														
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	59.4	12,999,986	N/A	N/A	N/A	N/A	0	—	0	0	12,999,986
Other grantees														
Employees	January 24, 2022	4 years	January 23, 2023 to January 23, 2029	86.85	6,244,884	N/A	N/A	N/A	N/A	0	—	0	(1,561,221)	4,683,663
Employees	March 30, 2022	2–4 years	June 29, 2022 to March 29, 2029	76.29	15,557,495	N/A	N/A	N/A	N/A	0	—	0	(8,246,211)	7,311,284
Employees	April 21, 2022	2–4 years	July 20, 2022 to April 20, 2029	62.30	37,713,928	N/A	N/A	N/A	N/A	0	—	(38,008)	(4,606,096)	33,069,824
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	3,779,720	N/A	N/A	N/A	N/A	0	—	0	(3,252,733)	526,987
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

Name	Date of Grant	Vesting period[1]	Exercise period	Exercise Price (HK$)	Number of Class B Shares underlying Options outstanding as of January 1, 2024	Particulars of Options granted during the Reporting Period				Number of Options exercised during the Reporting Period	Weighted average price of Class B Shares immediately before the dates of exercise (HK$)	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, 2024
						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$)	Fair value of Options at the date of grant (HK$)					
Employees	October 20, 2022	2–4 years	October 19, 2023 to October 19, 2029	48.86	61,206	N/A	N/A	N/A	N/A	(30,603)	50.8	0	0	30,603
Employees	November 29, 2022	2.34 years	April 1, 2023 to November 28, 2029	54.80	2,981,353	N/A	N/A	N/A	N/A	(132,997)	57.39	0	(260,938)	2,587,418
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	0	—	0	0	177,935
Employees	January 19, 2023	3 years	January 19, 2024 to January 18, 2030	72.63	3,096,824	N/A	N/A	N/A	N/A	0	—	0	(1,548,412)	1,548,412
Total					85,934,274					(163,600)		(38,008)	(19,475,611)	66,257,055

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.

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.

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 4.77% 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.

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.

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

Name	Date of Grant	Vesting period[1]	Purchase price (HK$)	Number of Class B Shares underlying RSUs outstanding as of January 1, 2024	Particulars of RSUs granted during the Reporting Period: Number of Class B Shares underlying RSUs granted during the Reporting Period	Particulars of RSUs granted during the Reporting Period: Performance Targets of RSUs granted during the Reporting Period	Particulars of RSUs granted during the Reporting Period: Closing price of the Class B Shares immediately before the date on which the RSUs were granted (HK$)	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, 2024
Employees	February 23, 2021	0.45–4 years	0	2,758	N/A	N/A	N/A	N/A	(1,379)	45.55	0	0	1,379
Employees	April 2, 2021	4 years	0–0.3273	2,852,454	N/A	N/A	N/A	N/A	(1,728,983)	47.78	0	(562,049)	561,422
Employees	April 23, 2021	0.48–4 years	0–0.3273	2,434,547	N/A	N/A	N/A	N/A	(1,320,160)	47.7	0	(436,871)	677,516
Employees	May 30, 2021	0.19–4 years	0–0.3273	915,992	N/A	N/A	N/A	N/A	(451,042)	50.58	0	(208,245)	256,705
Employees	June 29, 2021	4 years	0–0.3273	648,705	N/A	N/A	N/A	N/A	(290,192)	46.4	0	(112,642)	245,871
Employees	July 21, 2021	0.04–4 years	0–0.3273	1,084,246	N/A	N/A	N/A	N/A	(480,565)	45.32	0	(176,773)	426,908
Employees	August 27, 2021	0.95–4 years	0	1,381,216	N/A	N/A	N/A	N/A	(571,381)	40.95	0	(313,503)	496,332
Employees	September 26, 2021	0–4 years	0–0.3273	3,400,024	N/A	N/A	N/A	N/A	(1,085,254)	44.16	0	(750,930)	1,563,840
Employees	October 22, 2021	4 years	0–0.3273	10,221,000	N/A	N/A	N/A	N/A	(4,055,792)	47.8	0	(2,212,642)	3,952,566
Employees	November 30, 2021	3.74–4 years	0	1,360,013	N/A	N/A	N/A	N/A	(635,707)	47.38	0	(102,199)	622,107
Employees	December 28, 2021	4 years	0	1,317,872	N/A	N/A	N/A	N/A	(480,942)	43.05	0	(361,370)	475,560
Employees	January 24, 2022	4 years	0	3,921,100	N/A	N/A	N/A	N/A	(1,499,690)	47.7	0	(886,270)	1,535,140
Employees	February 25, 2022	4 years	0	344,298	N/A	N/A	N/A	N/A	(114,765)	45.9	0	(58,931)	170,602
Employees	March 30, 2022	4 years	0	2,509,242	N/A	N/A	N/A	N/A	(749,218)	48.08	0	(555,999)	1,204,025
Employees	April 21, 2022	4 years	0	6,579,413	N/A	N/A	N/A	N/A	(2,126,237)	44.77	0	(740,527)	3,712,649
Employees	May 30, 2022	4 years	0	2,020,183	N/A	N/A	N/A	N/A	(667,423)	56.55	0	(538,679)	814,081
Employees	June 23, 2022	4 years	0	1,326,128	N/A	N/A	N/A	N/A	(401,736)	49.35	0	(325,497)	598,895
Employees	July 21, 2022	4 years	0	2,054,396	N/A	N/A	N/A	N/A	(653,575)	44.96	0	(264,491)	1,136,330
Employees	August 31, 2022	4 years	0	1,315,604	N/A	N/A	N/A	N/A	(328,611)	39.52	0	(453,792)	533,201
Employees	September 27, 2022	1–4 years	0	2,389,233	N/A	N/A	N/A	N/A	(735,425)	45.96	0	(450,977)	1,202,831
Employees	October 20, 2022	2–4 years	0	18,269,131	N/A	N/A	N/A	N/A	(5,092,046)	47.91	0	(3,589,337)	9,587,748
Employees	November 29, 2022	0–4 years	0	4,230,364	N/A	N/A	N/A	N/A	(1,951,829)	47.75	0	(497,671)	1,780,864
Employees	December 29, 2022	0–4 years	0	2,478,081	N/A	N/A	N/A	N/A	(721,872)	42.49	0	(413,132)	1,343,077
Employees	January 19, 2023	4 years	0	1,282,094	N/A	N/A	N/A	N/A	(320,490)	43.05	0	(247,717)	713,887
Employees	April 21, 2023	1–4 years	0	29,334,505	N/A	N/A	N/A	N/A	(7,967,413)	44.36	0	(4,295,494)	17,071,598
Total				103,672,599					(34,431,727)		0	(18,555,738)	50,685,134

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.

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 10.06% 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.

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.

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, 2024, the remaining life of the 2023 Share Incentive Scheme is approximately, eight 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, 82,144,918 RSUs were granted to Eligible Participants under the 2023 Share Incentive Scheme. As of January 1, 2024, 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 418,435,328 and 21,675,509, respectively. As of December 31, 2024, 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 344,585,255 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[1]	Purchase price (HK$)	Number of Class B Shares underlying RSUs outstanding as of January 1, 2024	Number of Class B Shares underlying RSUs granted during the Reporting Period	Performance Targets of RSUs granted during the Reporting Period	Closing price of the Class B Shares immediately before the date on which the RSUs were granted (HK$)	Fair value of RSUs at the date of grant[2] (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, 2024
Employees	August 23, 2023	0.66–3.92 years	0	6,729,286	N/A	N/A	N/A	N/A	(1,654,489)	45.02	0	(961,941)	4,112,856
Employees	November 22, 2023	1.91–3.91 years	0	8,345,288	N/A	N/A	N/A	N/A	(1,984,856)	47.62	0	(1,778,310)	4,582,122
Employees	January 19, 2024	1.75–4 years	0	0	6,522,906	—	43.05	41.55	(111,045)	45.29	0	(786,513)	5,625,348
Employees	April 21, 2024	0–4 years	0	0	56,763,418	There is no performance target attached to the RSUs granted to a Grantee if he/she is not a Designated Employee The vesting of the RSUs granted to a Designated Employee is conditional upon the achievement of the performance targets as determined by the Board or its delegate(s) at his absolute discretion. The performance targets are based on the financial and operational indicators and/or other appropriate indicators of the Group and its relevant segments, as assessed by the Board or its delegate(s) from time to time. In particular, the performance targets of the senior management are based on the Group performance, segment performance and other management indicators, which may vary according to the roles and responsibilities of the relevant senior management	44.35	44.35	(397,623)	44.65	0	(4,085,542)	52,280,253
Employees	July 19, 2024	0–4 years	0	0	7,696,441	—	46.4	45.2	(69,724)	46.92	0	(422,942)	7,203,775
Employees	October 18, 2024	0–4 years	0	0	11,162,153	—	45.3	47.8	(103,061)	46.62	0	(259,597)	10,799,495
Total				15,074,574	82,144,918				(4,320,798)		0	(8,294,845)	84,603,849

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 or the trading day immediately preceding the date of grant if it was a non-trading day.

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 82,144,918 Class B Shares, represented approximately 2.29% 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, 2024.

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, 2024 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.

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, 2024 is approximately RMB1,203.5 million, while the actual transaction amount for the year ended December 31, 2024 was approximately RMB717.4 million. The annual cap of service fees to be paid by the Group to the Represented Tencent Group for the year ended December 31, 2024 is approximately RMB2,363.0 million, while the actual transaction amount for the year ended December 31, 2024 was approximately RMB1,697.1 million.

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, 2024 is approximately RMB1,414.0 million, while the actual transaction amount for the year ended December 31, 2024 was approximately RMB718.3 million.

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, 2024 is approximately RMB1,672.0 million, while the actual transaction amount for the year ended December 31, 2024 was approximately RMB1,551.5 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.

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, 2024 is approximately RMB134.5 million, while the actual transaction amount for the year ended December 31, 2024 was approximately RMB99.5 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.

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.

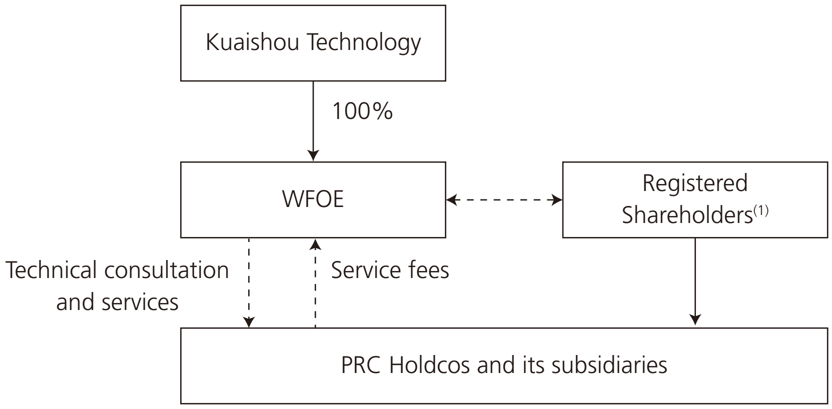
Save as disclosed in this annual report, during the Reporting Period, the Company had no connected transactions or continuing connected transactions which are required to be disclosed under the Listing Rules. The Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules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

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, 2024:



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, (iii) Beijing One Smile and (iv) Shandong Yixiang. 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; (v) YANG Yuanxi is the director of Beijing Kuaishou Ads and holds the Shares through Jovial Star; and (vi) the information of other Registered Shareholders of the PRC Holdcos is set forth below.

(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 (a former employee of the Group) as to 10%.

   (ii) Huayi Huilong is owned by YANG Yuanxi as to 90% and PENG Xiaochun (a former employee of the Group) 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) Shandong Yixiang is owned by JIAO Xiang (an employee of the Group) as to 50% and SUN Junyi (a former employee of the Group) as to 50% and is currently in the process of deregistration.

   (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.

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 RMB63.3 billion for the Reporting Period, representing approximately 49.9% of the total revenue of the Group. As of December 31, 2024, the total assets of the Consolidated Affiliated Entities amounted to RMB26.6 billion, representing approximately 19.0% of the total assets of the Group.

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.

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;

(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.

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.

PRC 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. Furthermore, 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. Haiwen & Partners, our PRC legal advisor confirmed that the FIL does not specify contractual arrangements as a form of foreign investment. In that regard, if there is no other promulgated national laws, administrative regulations or administrative rules prohibiting or restricting the operation of or affecting the legality of contractual arrangements, the FIL will not have a material impact on the Contractual Arrangements and each of the agreements under the Contractual Arrangements, and the legality and validity of the Contractual Arrangements would not be affected.

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.

(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;

(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.

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 our 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 35 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.

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 2025 AGM and, being eligible, will offer itself for re-appointment. A resolution for the re-appointment of PricewaterhouseCoopers as Auditor will be proposed at the 2025 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 Prof. XIAO Xing. 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, 2025

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 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, 2024.

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.

Corporate Governance Report

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)
Prof. XIAO Xing (肖星)

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.

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.

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.1.4 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.

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

Name of Director	Participated in continuous professional development [(1)]
Executive Directors	
Mr. CHENG Yixiao	√
Mr. SU Hua	√
Non-executive Directors	
Mr. LI Zhaohui	√
Mr. ZHANG Fei	√
Mr. LIN Frank *(resigned with effect from January 22, 2025)*	√
Mr. WANG Huiwen	√
Independent Non-executive Directors	
Mr. HUANG Sidney Xuande	√
Mr. MA Yin	√
Prof. XIAO Xing	√

Note:

(1) attended training/seminar/conference arranged by the Company or other external parties or read relevant materials

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.

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, two 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:

	Attendance/Number of Meetings					
Name of Director	**Board**	**Audit Committee**	**Nomination Committee**	**Remuneration Committee**	**Corporate Governance Committee**	**General Meeting of Shareholders**
Mr. CHENG Yixiao	5/5	—	1/1	—	—	1/1
Mr. SU Hua	5/5	—	—	2/2	—	1/1
Mr. LI Zhaohui	5/5	—	—	2/2	—	1/1
Mr. ZHANG Fei	5/5	—	1/1	—	—	1/1
Mr. LIN Frank	2/5	—	—	—	—	1/1
Mr. WANG Huiwen	5/5	—	—	—	—	1/1
Mr. HUANG Sidney Xuande	5/5	4/4	1/1	2/2	2/2	1/1
Mr. MA Yin	5/5	4/4	1/1	2/2	2/2	1/1
Prof. XIAO Xing	5/5	4/4	1/1	2/2	2/2	0/1

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 Prof. XIAO Xing. 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, 2023;
- reviewed the 2024 interim results announcement and interim report of the Group;
- reviewed the Company's quarterly results announcements for the first quarter ended March 31, 2024 and the third quarter ended September 30, 2024, 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 the Auditor's independence and terms of engagement for the year ending December 31, 2024, and made recommendations on the re-appointment of the Auditor;
- approved the Auditor's remuneration for the year ending December 31, 2024; 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 Prof. XIAO Xing. 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;
- assessed the independence of all the independent non-executive Directors;
- reviewed the implementation and effectiveness of the Board Diversity Policy (as defined below); and
- reviewed the implementation and effectiveness of the directors nomination policy.

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, 2024, the gender ratio of the Group's workforce (including the Company's senior management) was approximately 56.0% male to 44.0% female (2023: 55.7% male to 44.3% 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.

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.

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 Prof. XIAO Xing. Mr. HUANG Sidney Xuande is the chairman of the Remuneration Committee.

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

- reviewed and recommended on the execution of the appointment letters with the Directors;
- reviewed and recommended on the performance-based bonus scheme for the year 2023 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; and
- reviewed and recommended on the adjustment of remuneration packages of a Director for the year 2024;

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.

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, 2024, including those members of senior management who are also the executive Directors, by band for the Reporting Period is set out below:

Annual Remuneration	Number of individuals
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 10(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 Prof. XIAO Xing. 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;

- made a recommendation to the Board as to the change 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); and
- reviewed and approved the 2023 ESG Report.

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.

The Corporate Governance Committee has also reviewed the remuneration and terms of engagement of the compliance advisor, and has made a recommendation to the Board as to the change of compliance advisor. The Board has approved the appointment of Somerley Capital Limited as the new compliance advisor with effect from May 6, 2024. For further details of the change of compliance advisor, please refer to the announcement of the Company dated May 6, 2024.

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:

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.

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 improperties 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 "2.2.1 Rights and Interests of Employees" and "2.3.1 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 2023 remained the same in 2024. Among the five significant risks, there is a slight increase in information security and privacy 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.

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.

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	3
Total	33

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.

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.

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).

The Company maintains a website at 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/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) and the Stock Exchange (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 paid up capital 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 requisitionist(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. Such meeting shall be held within three months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) themselves may convene the general meeting in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

For the avoidance of doubt, the Shareholders must deposit and send the original duly signed written requisition, notice or statement (as the case may be) to the Company's principal place of business in Hong Kong and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

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).

SIGNIFICANT CHANGES TO CONSTITUTIONAL DOCUMENTS

During the Reporting Period, the Company has amended its Memorandum and Articles of Association. Details of the amendments are set out in the circular of the Company dated April 23, 2024 to the Shareholders. Save for the aforementioned changes, there was no other changes to the Memorandum and Articles of Association of the Company during the Reporting Period.

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

ABOUT THE REPORT

This is the fifth 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 Guide of the Stock Exchange (the "**ESG Reporting Guide**")* and in accordance with "materiality", "quantitative", "balance" and "consistency" principles set out in the *ESG Reporting Guide*.

Principle of materiality: 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 sub-section headed "Materiality Analysis" in the Report for further details regarding the process of materiality assessment.

Principle of quantitative: We have disclosed the quantitative 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 sub-sections (where applicable).

Principle of balance: The Report aims to provide a balanced presentation of the Group's ESG efforts in various aspects, including environment, employees, product responsibility and community.

Principle of consistency: The preparation of the ESG Report 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 sub-sections.

Environmental, Social and Governance Report

STATEMENT FROM THE BOARD

The Board of Kuaishou attaches great importance to the impact of ESG matters on the Group's risk management and sustainable development, and is committed to achieving a balanced development of the economy, society and environment. We continue to enhance our competitiveness, and strive for more robust and sustainable growth. Kuaishou has established a comprehensive three-tier ESG governance structure to ensure the thorough oversight and effective management of ESG matters. The Board, as the highest decision-making body for ESG matters, oversees the implementation of ESG-related matters and continuously strengthens the ESG governance capabilities of the Company through regular coordination of ESG related works and identification of key ESG risks and opportunities. Under the authorization of the Board, an ESG Working Group has been set up under the Corporate Governance Committee to coordinate and drive the implementation of ESG initiatives across various functional departments, ensuring that adequate resources are allocated for the implementation of such ESG initiatives. The ESG Working Group holds quarterly internal meetings on climate change issues, conducts annual climate change risk assessments, and reports to the Board in a timely manner.

Kuaishou values the expectations and requirements of stakeholders, and regularly organizes internal and external activities to engage with them to identify and assess key ESG issues. During the Reporting Period, we held 2 Corporate Governance Committee meetings to discuss and evaluate ESG-related issues, and conducted knowledge trainings for the Board on ESG issues such as anti-corruption and climate change, effectively enhancing the Board's decision-making capabilities and risk management proficiency regarding ESG issues. Considering the broader macro-environment and Kuaishou's growth strategy, the Corporate Governance Committee reviews and deliberates on the Group's ESG risks and opportunities and provides an annual summation of important ESG management matters and projects. We have established environmental objectives, and the Board and Corporate Governance Committee are responsible for continuous supervision and regular review of the progress of such objectives. Kuaishou remains attuned to industry trends and regulatory requirements, ensuring that ESG practices align with sustainable development goals. We emphasize ESG-related risk assessments through annual risk assessment reviews, and continuously strive to enhance the quality and transparency of ESG disclosures, ensuring comprehensive and accurate ESG information for stakeholders, thereby fostering Kuaishou's sustainable development and long-term value creation.

The Report details the progress and achievements of Kuaishou's ESG management in 2024, which complied with all applicable "comply or explain" provisions as set out in Part C of the *ESG Reporting Guide*. 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 Corporate Governance Committee reviewed and approved the Report on March 24, 2025. Looking ahead, we will continue to collaborate with all stakeholders to contribute to Kuaishou's initiatives for promoting global sustainable development.

ESG KEY PERFORMANCE

Addressing Climate Change

- In 2024, Kuaishou disclosed its Scope 3 greenhouse gas emissions for the first time, totaling **1.2591** million tonnes of CO_2 equivalent.

- In 2024, Kuaishou's self-built data center purchased a total of **411,779.0** MWh of green electricity and green power certificate, accounting for **87.1%** of its annual electricity consumption, thereby avoiding a total of **220,960.6** tonnes of CO_2 equivalent emissions.

- In 2024, Kuaishou's total fresh water consumption in Beijing offices decreased by **11.5%** compared to 2023, while the per capita fresh water consumption decreased by **12.6%**. In addition, its total electricity consumption decreased by **7.4%** compared to 2023, and the electricity consumption per square meter also decreased by **14.6%**.

- In 2024, Kuaishou achieved **100%** harmless treatment of electronic waste in all offices.

Green Operation

- Our new headquarters office building in Central Mobile Intelligence District in Beijing obtained LEED-EB (Building Operation and Management) Platinum Certification.

- Through digital transformation and upgrading, the penetration rate of Kuaishou's electronic contracts has reached **97.5%**.

Data Security and Privacy Protection

- In 2024, Kuaishou obtained multiple information security management system certifications, including ISO 27001 information security management system, ISO 27701 privacy information management system and ISO 27017 cloud service information security management system, covering **100%** of our business lines.

- In 2024, Kuaishou continued to conduct trainings on data security and privacy protection for all employees (including full-time and part-time employees, new employees, dispatched labor and interns) with over **20,000** participants, and the cumulative number of participants has reached over **120,000**.

- In March 2024, Kuaishou received the Three-Star Certificate for Social Responsibility Evaluation of Data Security and Personal Information Protection from the Data Security Working Committee of the China Cybersecurity Industry Alliance (CCIA). In August 2024, Kuaishou received the Data Security Construction Capability Certification from the Digitalization Working Committee.

Intellectual Property Rights Protection

- As of December 31, 2024, Kuaishou filed **12,967** patent applications domestically and abroad in total, among which, **6,358** patents were granted. Kuaishou has obtained **10,195** domestic and foreign registered trademarks and **7,232** copyright registrations. The "Kuaishou" trademark has been repeatedly recognized as a well-known trademark.

- In 2024, Kuaishou became one of the first companies selected for "Thousand Enterprises and Hundred Cities" trademark and brand value enhancement action organized by the National Intellectual Property Administration, and successfully obtained the national standard certification of *Enterprise Intellectual Property Compliance Management System Requirements* (GB/T 29490–2023) issued and implemented by the State Administration for Market Regulation and the National Standardization Administration. It also newly received **2** "China Patent Awards" granted by the National Intellectual Property Administration.

Platform Responsibilities

- In 2024, Kuaishou led and participated in **180** international, national, industry and group standards setting in the fields of personal information protection, data security, anti-phone scam, protection of minors, and artificial intelligence, etc., 16 of which were led by Kuaishou, with **51** standards that Kuaishou participated in being published, 7 of which were led by Kuaishou.

- In 2024, Kuaishou developed and deployed over **120** anti-fraud risk control models, automatically identifying and intercepting **96.5%** of fraudulent activities.

- In 2024, Kuaishou gathered feedback from over **350,000** users, achieving an **86.0%** annual comprehensive satisfaction rate across all channels and a **97.2%** satisfaction rate with human customer service by phone.

- In 2024, Kuaishou led and participated in the development of **over 10** standards related to Youth Mode construction and the protection of minors' personal information.

Employees' Development

- As of December 31, 2024, female employees represented **44.0%** of our full-time employees, **31.6%** of managerial roles, and **34.8%** of newly promoted managers.

- As of December 31, 2024, Kuaishou employed full-time employees from **11** countries and **32** ethnic groups, with nearly **7.5%** from China's ethnic minority groups.

- In 2024, due to active efforts in employer image, organization of talent management, and campus branding, Kuaishou received widespread external recognition. The Company was honored with titles such as "Global Talent Magnet Employer" by various human resources organizations, including LinkedIn.

- Kuaishou Middle School offers themed courses on technology research and development, product operations, management skills, general skills, essential courses for new talents, engagement encyclopedia, and other topics, available to **100%** of employees. As of December 31, 2024, Kuaishou Middle School provided a total of **4,275** courses.

- In 2024, Kuaishou organized **17** "First Aiders" training sessions. Over the past **5** years, more than **5,150** employees nationwide have obtained first aid certifications through **94** training sessions conducted across **19** cities. The program has covered all key positions of on-site suppliers.

Business Ethics

- In 2024, **2** anti-corruption training sessions were conducted for the Board of Directors.
- In 2024, a total of **16,343** new employees completed online legal education trainings, achieving a coverage rate of **100%**.
- In 2024, **1** additional online anti-corruption reporting channel was launched, bringing the total number of reporting channels to **10**.
- As of December 31, 2024, **6,028** suppliers signed the *Integrity Commitment Letter* with the Company, an increase of **22.0%** from 2023.

Supply Chain Management

- In 2024, Kuaishou has successively optimized its system of service agreements and commitment letters, introducing a GPA[1] template and ensuring the protection of both parties' rights in various collaboration scenarios. As of December 31, 2024, the GPA signing rate for market procurement suppliers reached **100%**.

- Kuaishou formulated the *Supplier Admission Commitment Letter* and required all suppliers admitted to sign and comply with it, the core principles of which included labor and human rights protection, employee health and workplace safety protection, environmental protection, anti-corruption and data security and privacy protection and so on.

Social Responsibility

- In 2024, Kuaishou donated approximately RMB **47.41 million** through our public welfare projects, and dedicated **37,482.0** hours to public welfare projects.

- In 2024, a total of **6.187 million** videos containing environmental-related keywords under the topics with # were published on the Kuaishou platform, amassing a total of **14.54 billion** views. Additionally, **497,000** videos containing gender equality-related keywords under the topics with # were released, with an accumulation of **1.24 billion** views.

1 GPA refers to General Purchase Agreement

ESG GOVERNANCE

Kuaishou has integrated ESG principles into its daily operations, kept optimizing the three-tier ESG governance structure, comprising the "governance level", "management level", and "execution level". The Company has clarified the work responsibilities and goals of each level, and systemically carried out ESG governance work.

Governance level	**Board and Corporate Governance Committee**	The Board serves as the highest governing body for ESG matters. The Corporate Governance Committee, as the highest decision-making body for ESG under the Board, is responsible for overseeing the Company's ESG management, reviewing and deciding on major issues related to ESG and climate change, formulating medium- and long-term development strategies and goals, reviewing the achievement of ESG goals, and reporting to the Board on the progress and results of ESG management.
Management level	**ESG Working Group**	The ESG Working Group serves as the management body for ESG matters under the Corporate Governance Committee. Under the leadership of the Corporate Governance Committee, it coordinates and guides the implementation of ESG practices across departments, promotes the execution of ESG initiatives, evaluates the achievement of ESG goals, and reports regularly on the work progress to ensure the efficiency and sustainability of the Company's ESG initiatives.
Execution level	**Departments forming the ESG Working Group**	The departments forming the ESG Working Group are responsible for cooperating with the ESG Working Group, implementing and promoting the Company's ESG affairs, reporting work progress to the ESG Working Group regularly, and ensuring effective execution of ESG initiatives.

Kuaishou's ESG Governance Structure

Board Diversity

The Board of Kuaishou has implemented the Board Diversity Policy to enhance the effectiveness of the Board and uphold a high standard of corporate governance. When reviewing and assessing candidates for Director position, the Nomination Committee of Kuaishou considers a range of diversity perspectives with reference to Kuaishou's business model and specific needs, including gender, age, language, cultural and educational background, professional qualifications, skills, knowledge, industry and regional experience and length of service. As of December 31, 2024, the Board consisted of 2 executive Directors, 4 non-executive Directors, and 3 independent non-executive Directors, including 1 female Director.

For details regarding Kuaishou's Board Diversity Policy in 2024, please refer to the section headed "Corporate Governance Report — Board Diversity Policy" of the annual report.

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:

Expectations and Requirements from Stakeholders, Communication and Responses

Stakeholders	Expectations and Requirements	Communication and Responses
Users	• Good user experience with products • A healthy Internet environment • Continuous improvement of product and service quality • Emphasis on customer communication and feedback • Commitment to the protection of minors	• Developing new technologies and improving products to meet user needs • Fostering a healthy community ecosystem • Protecting user privacy • Carrying out theme-based activities to communicate with users • Continuously optimize features and technologies for the protection of minors
Employees	• All-round protection of rights and interests • Compensation, welfare and employee care • Offering training that provides objective and fair career development opportunities • Corporate culture embracing diversity • Creating good working environment • Employee communication	• Establishing an employee protection system • Providing professional development training and coaching for employees • Carrying out employee-care activities • Improving the working environment • Providing employee feedback channels

Stakeholders	Expectations and Requirements	Communication and Responses
Shareholders and investors	• Compliant operations • Timely, accurate and transparent corporate information compliance disclosure • Stable operations and reasonable return on investment	• Announcing financial results and other business information in an open, transparent and timely manner • Holding Shareholders' general meetings, "Investor Day" events, investor meetings and roadshows regularly to communicate with Shareholders and investors • Giving prompt reply to the enquiries of Shareholders and investors
Suppliers/partners	• Long-term and in-depth cooperation • Timely access to information • Mutual support and growth	• Promoting compliant and valuable cooperation • Carrying out regular supplier surveys and interviews to strengthen communication and exchange
Government and regulatory bodies	• Compliance with laws and regulations • Paying taxes in accordance with law • Helping the government improve social issues (underprivileged groups etc.)	• Boosting the local economy, promoting rural economic development and supporting rural revitalization • Assisting the operations of government social media accounts to spread positive impact • Collaborating on projects to help government bodies fix social issues • Resolutely opposing money laundering, corruption, monopolistic practices and unfair competition
Media and NGOs	• Open and transparent information • Active cooperation • Innovative forms of charity activities • Facilitating charity promotions	• Active involvement in media communication • Cooperation in promoting charity projects • Establishing strategic partnerships with multiple charity organizations • Leveraging Internet technology to enable new modes of charity • Increasing media exposure for charity initiatives

Stakeholders	Expectations and Requirements	Communication and Responses
Society	• Rural revitalization • Inclusive digital technology • Contributions to social public welfare	• Implementing rural revitalization initiatives and primary-level governance empowerment initiatives to support local economic development • 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 • Carrying out education and science learning programs, intangible cultural heritage promotion, environmental protection, support for industries and other charitable activities

In 2024, Kuaishou further deepened its ESG governance and practices, actively responding to stakeholders' demands through diversified communication channels, further enhancing ESG transparency and external recognition. To meet stakeholders' diverse needs for ESG information, we optimized and upgraded the ESG section of our official website, comprehensively showcasing Kuaishou's ethos, initiatives, policy documents and reports related to sustainable development, while also updating ESG ratings and award information. In terms of capital market communications, we organized our second Kuaishou Investor Day, utilizing an innovative ESG themed outdoor exhibition to disclose the Group's major progress and performance on material issues such as green operations, green procurement, data security and privacy protection, and actively addressed the concerns of domestic and international investment institutions regarding Kuaishou's ESG initiatives. For supply chain management, we strengthened ESG training and evaluation for suppliers, encouraging them to improve their ESG performance. Additionally, through employee satisfaction surveys, we gained deeper insights into employee needs, continuously refining internal governance and employee care systems. Recognizing our outstanding ESG performance, Kuaishou has been honored with several ESG awards, including the "ESG Excellence Awards 2024 for Hong Kong Listed Companies ". Through ongoing stakeholder engagement, Kuaishou's ESG practices have gained widespread recognition, laying a solid foundation for the Company's sustainable development.

ESG-Themed Outdoor Exhibition Area at Kuaishou 2024 Investor Day

MATERIALITY ANALYSIS

Kuaishou engages with key stakeholders through various channels and identifies and prioritizes significant ESG issues by referencing regulatory disclosure requirements, industry policies and trends, and the focus areas of rating agencies. We follow the process below for materiality analysis:

1. Identification of material issues: Based on the *ESG Reporting Guide* and relevant listing rules, we identify issues closely related to Kuaishou through peer benchmarking and media monitoring, summarizing and updating the issues accordingly.

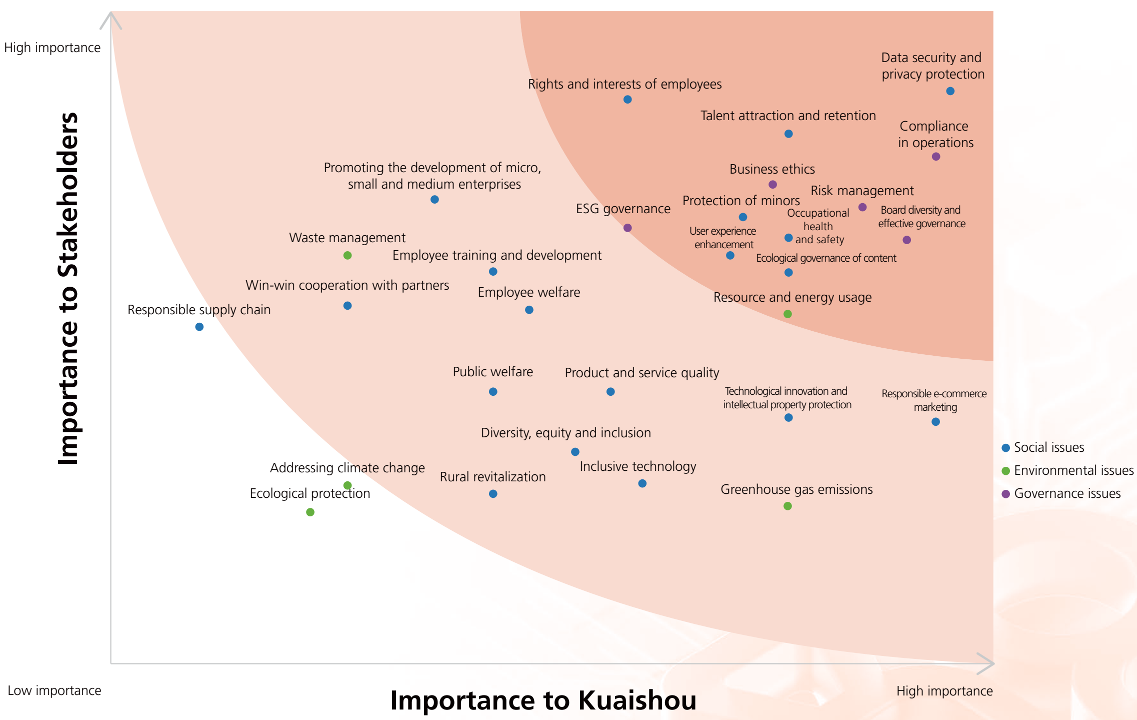
2. Engagement of stakeholders: We collect feedback on the importance of issues through emails, WeChat official accounts, system notifications, and surveys, consolidating stakeholder suggestions.

3. Verification and adjustment of matrix: Considering industry trends, peer benchmarking, and issues highlighted by the capital market, we consult with the Board, Corporate Governance Committee, ESG Working Group and its constituent departments, as well as employees, to adjust and confirm the material issues.

4. Confirmation: Finalize key issues across various domains and prepare the ESG report accordingly.

The content of each issue will be detailed in the Report. The Analysis Results of Material Issues in 2024 are shown in the diagram below.

Matrix of Material ESG Issues of Kuaishou in 2024



Matrix of Material ESG Issues of Kuaishou in 2024

RISK MANAGEMENT

Kuaishou has strengthened its risk management and established a risk management system led by the Board. The Board is fully responsible for assessing and determining the nature and extent of risks that may prevent the Company from achieving its strategic goals, and for establishing and maintaining an effective risk management system. The Audit Committee is responsible for continuously monitoring the implementation of risk management policies, reviewing the internal control system, and comprehensively advancing the construction of the risk management system. The management pays attention to establishing and continuously improving the risk management and internal control system, and has strengthened the Company's internal control, internal audit and other functions during the Reporting Period. The "Three Lines of Defense" model has been formally adopted as the organizational structure for risk management and internal control.

For details on Kuaishou's risk management in 2024, please refer to the section headed "Corporate Governance Report — Risk Management and Internal Controls" of the annual report.

1. ENVIRONMENT

In response to global climate challenges, Kuaishou actively responds to the call for ecological civilization and commits to addressing climate change, embracing the new concept of green development through concrete actions. Kuaishou is dedicated to integrating sustainable operations into every aspect of its daily business, implementing environmental protection measures, advocating for energy conservation and emission reduction, and contributing to building a greener, low-carbon, and harmonious society.

1.1 Climate Change Response

Kuaishou actively supports China's strategic goals of "Carbon Dioxide Peaking and Carbon Neutrality", continuously strengthening its capacity to address climate change and improving its environmental management system. Referencing the framework and recommendations of the *IFRS S2 — Climate-related Disclosures* issued by International Sustainability Standards Board (ISSB) and the guidelines under the "Climate-related Disclosures" set out in Part D of the *ESG Reporting Code* of the Hong Kong Stock Exchange, Kuaishou analyzes and discloses physical and transitional climate-related risks impacting its business, develops risk management action plans, and effectively enhances its ability to respond to climate change risks while seizing green development opportunities.

- ***Governance***

The Board of Kuaishou, as the highest decision-making body for corporate governance, holds ultimate responsibility for climate change-related matters. To ensure the 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 the supervision and guidance of ESG strategy, including key areas such as the identification of climate risks, the development of the assessment and management system, and the continuous supervision and review of the formulation and progress of climate-related goals. The Corporate Governance Committee provides the Board with professional advice and decision-making support on climate change issues through a bi-annual reporting mechanism. At the operational level, the ESG Working Group is responsible for daily monitoring and assessment of climate-related risks, systematically identifying potential climate-related risks and opportunities, facilitating the compliant implementation of climate action plans, and managing the Group's climate-related information disclosures. The Company arranges briefings and trainings on climate-related topics to the Board on a semi-annual basis to help it gain a climate-related professional understanding and competency.

The ESG Working Group, comprised of individuals in charge of various functions, conducts regular climate change discussions and risk assessments. During the Reporting Period, the ESG Working Group held quarterly meetings to delve into strategic climate-related issues, policy trends, and industry best practices, ensuring that the Group's climate governance remains up-to-date. Additionally, the ESG Working Group established an annual climate risk assessment system, using quantitative analysis and scenario analysis to comprehensively evaluate climate-related risks and opportunities. The assessment results are compiled into professional reports for review by the Corporate Governance Committee. The ESG Working Group conducts an annual review based on the achievement of the goals and the performance of the highlights. The Company has an evaluation mechanism and different forms of incentive mechanisms to assist the Board in fulfilling its responsibilities and to ensure the implementation and effectiveness of the relevant measures.

- ***Strategy***

Kuaishou attaches great importance to global climate change. By actively identifying and addressing climate-related risks and opportunities, continuously adjusting our business development and resources allocation, formulating response measures and regularly evaluating the effectiveness of those measures, we aim to promote sustainable development for both Kuaishou and society.

Climate risk and opportunity assessment

In 2024, Kuaishou adopted the climate scenario analysis for the first time, combined with the prediction of natural environment and economic and social changes under different warming conditions by authoritative institutions, as well as the climate-related risks and opportunities identified by Kuaishou, to further sort out the climate risks and opportunities faced by data centers and workplaces under different time cycles[2]. Taking into account the feedback from business units on the probability of occurrence and impact of risks and opportunities, the Company evaluated and prioritized the level of risks and opportunities to assist Kuaishou in developing more comprehensive response measures and enhancing the climate resilience.

2 Taking into account the core business plan, the time frame of social low-carbon development goals, climate-related disclosure standards and management recommendations and other factors, we set the time frame to be within one year after the end of the Reporting Period, including one year (short-term); 1 year to 5 years after the end of the Reporting Period, including 5 years (mid-term); more than 5 years after the end of the Reporting Period (long-term), in order to make a reasonable assessment of the climate impact on Kuaishou's business development in different time periods.

Results of assessment on the climatic physical risks

Regarding 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, but the overall risk level is relatively low. The following table summarizes the main physical risks identified, their impact, and some of the counter measures:

Risk Category		Potential Impact on Business and Value Chain	Potential Financial Impact	Time Frame	Risk Control Measures
Acute Risks	Cyclones Extreme precipitation	• 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; • Extreme weather conditions may prevent employees from commuting to work, which may result in disruption to operation, thus involving breach of contract, compensation and legal liability.	Higher operating expenses Decline in asset value Decrease in operating income	Short-term, mid-term and long-term	• When choosing a site for our leased data center, we make full reference to the historical data of local natural disasters, and prioritize weather-friendly locations within the North China Plain; • We formulate emergency management, prevention and response plans for extreme natural disasters, incorporate disaster prevention drills into the operation and maintenance systems of Kuaishou Smart Cloud data center in Ulanqab (“**Kuaishou’s self-built data center**”) and leased data centers, and conduct them on a regular basis; • We extend our natural disaster emergency management system to lessors of our data centers, and share our emergency management measures with lessors for integration into their daily operation management. We establish a work-from-home mechanism to minimize the number of employees required to be on duty to narrow the scope of impact.

Risk Category		Potential Impact on Business and Value Chain	Potential Financial Impact	Time Frame	Risk Control Measures
Chronic Risks	Rising average temperatures	Rising average temperatures may adversely affect the operation and maintenance of the Company's self-built and leased data centers, including: • Reducing the service life of self-built and leased data center equipment and increasing the cost of equipment replacement; • Increased energy and water consumption for heat dissipation and cooling of self-built and leased data centers, resulting in increasing operating costs and higher carbon emissions.	Higher operating expenses Higher capital expenditure	Mid-term and long-term	• Self-built and leased data centers prioritize natural cooling source technologies and areas with abundant green energy to reduce energy consumption due to cooling; • 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.
	Droughts	Exacerbated water shortages due to the increased duration and frequency of droughts may have an impact on the operation of Kuaishou's self-built and leased data centers, including: • Increasing the use of other cooling facilities will result in higher energy demand and higher operating costs; • Reduced cooling efficiency will affect the operational stability of self-built and leased data center equipment.	Higher operating expenses Decrease in operating income	Short-term, mid-term and long-term	• Self-built data center continuously monitors environmental temperature in real time by adopting energy-saving control technology. This enables the automatic shutdown of energy-intensive air-conditioning equipment, activating airflow exchange units when appropriate. This approach optimizes use of nature cooling sources in the Inner Mongolia region; • We introduce and develop advanced technologies to improve the utilization rate of reclaimed water in the cooling process, while continuing to explore and implement more efficient water-saving technologies.

Results of assessment on the climate transition risks

In terms of transition risks, the main risks identified by Kuaishou are policy and legal risks, technical risks and reputational risks arising from the transition to low-carbon society, but the overall risk level is relatively low.

Risk Category		Potential Impact on Business and Value Chain	Potential Financial Impact	Time Frame	Risk Control Measures
Policy and Legal Risks	Enhanced responsibility for emissions reporting and increased compliance requirements for energy saving and carbon reduction	• Requirements of international and domestic regulatory agencies and capital markets for disclosing enterprise climate-related data have been continuously upgraded. Meanwhile, in order to cooperate with the implementation of carbon trading, carbon tax and environmental protection tax, the government has increased the requirements for the accuracy of carbon emission data declared by enterprises, which may generate compliance risks; • Under the "Dual Carbon" target initiative in China, the state continues to introduce and update policies and measures to control energy consumption and carbon emissions, which puts forward higher PUE[3] and energy-saving requirements on the data center industry, this may lead to increased compliance and operating costs.	Higher operating expenses Higher compliance costs	Short-term, mid-term and long-term	• We conduct ongoing research on policies to manage risks, strengthen communication with stakeholders, and actively respond to the requirements of various stakeholders; • We continue to promote refined energy management, establish an energy metering, analysis and control system, and compile and regularly disclose various energy efficiency data.

[3] PUE, namely Power Usage Effectiveness, is an index to evaluate the energy efficiency of the data center. PUE is the ratio of all energy consumed by the data center to the energy consumed by its load, that is, PUE = total energy consumption of the data center/energy consumption of IT equipment. The total energy consumption of the data center includes energy consumption of IT equipment and energy consumption of refrigeration, power distribution and other systems. The PUE value is greater than 1, and the closer the value is to 1, it consumes the less energy, and the better the energy efficiency level.

Risk Category		Potential Impact on Business and Value Chain	Potential Financial Impact	Time Frame	Risk Control Measures
Technology Risks	Cost of transition to low-emission technologies/ failure to successfully invest in new technologies	• In order to effectively respond to the relevant policies, failure to invest in or develop new low-carbon technologies may result in financial losses.	Higher operating expenses Higher capital expenditure	Short-term, mid-term and long-term	• We examine the viability of new technology investments and their compatibility with Kuaishou's business. New technologies must be proven compatible and have passed technical experiments, factory-level testing and pilot scale application before entering large-scale application, so as to avoid financial losses caused by unnecessary technology research and development failures; • We encourage the adoption of low-carbon and energy-saving new technologies in leased data centers, and adopt such measures to our self-built data center upon the completion of technical validation; • We set up the Carbon Neutrality Special Committee and participate in the Open Technology Alliance to work with industry leaders and share technologies related to data center energy conservation and carbon reduction with the members, in an effort to promote the low-carbon transition of the industry.

Risk Category		Potential Impact on Business and Value Chain	Potential Financial Impact	Time Frame	Risk Control Measures
Reputation Risks	Increased concerns or negative feedback from stakeholders	• Extreme weather events, such as extreme precipitation and cyclones, and chronic climate change, such as rising average temperature may affect the continuous operation of Kuaishou's self-built and leased data centers. This may result in concerns and negative feedback from stakeholders (e.g. investors) regarding the stability of Kuaishou's business; • Under the "Dual Carbon" target initiative, energy conservation and emission reduction of data centers have become a key concern for regulators and investment institutions. High energy consumption in data centers may raise stakeholder (e.g. the government and investors) concerns regarding Kuaishou's operational efficiency and commitment to compliance.	Higher operating expenses Higher capital expenditure Decrease in financing sources	Short-term, mid-term and long-term	• We set an energy goal of "realizing 100% clean energy use in self-built data center by 2030" to strengthen the confidence of Kuaishou's stakeholders; • According to the requirements of regulatory authorities, we improve the accuracy and comprehensiveness of the disclosure of carbon emission data and energy consumption data to reduce the concerns and negative feedback of Kuaishou's stakeholders; • We formulate extreme natural disaster emergency management plans, natural disasters prevention plans (manual) and a summary of contingency measures for emergencies to minimize the impact of climate change on Kuaishou's operations, reducing the concerns and negative feedback of Kuaishou's stakeholders; • We encourage investors in leased data centers to increase investment in energy-saving and emission reduction technologies, and give priority to cooperating with green data centers to improve the operational efficiency of Kuaishou's leased data centers, so as to meet the compliance requirements.

Climate-related opportunities

Low-carbon development also presents opportunities for Kuaishou to enhance resource efficiency, utilize low-emission energy, and offer green products and services. Among these, the additional revenue and carbon emission reductions resulting from engaging in renewable energy trading have a significant positive impact on Kuaishou's operations. Kuaishou will actively implement relevant measures to seize these potential opportunities.

Opportunity Category		Potential Impact on Business and Value Chain	Potential Financial Impact	Time Frame	Measures to Seize Opportunities
Resource Efficiency	Reducing Water Usage and Consumption	• Accelerating the adoption of multiple energy-saving and water-saving initiatives in office areas and self-built and leased data centers, improving the WUE[4] and PUE of data centers, can reduce resource consumption and costs; • Industry-leading WUE and PUE can strengthen the confidence of regulators and investors in the Company's proactive response to climate change, enhancing corporate reputation.	Decrease in operating costs Increase in financing channels	Short-term, mid-term and long-term	• The self-built data centers utilize water-saving modes during the operational phase. In response to the water scarcity in Ulanqab, an innovative indirect evaporative cooling equipment water-saving operation mode was pioneered (A Data Center Air Conditioning Control System and Control Method), which significantly reduced water consumption compared to similar technical solutions in the industry; • Through the research and development of cutting-edge data center technologies, the adoption of waterless integrated fluorine pump technology, high-voltage direct current (HVDC), and other technologies maximizes the use of natural cooling sources. While reducing energy consumption, compared to traditional chilled water cooling systems, this approach can achieve annual water savings of approximately 4.7 million tonnes.
Energy Sources	Utilizing Low-Emission Energy	• 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 renewable energy sources 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.	Decrease in operating costs	Short-term, mid-term and long-term	• Kuaishou's self-built data center in Inner Mongolia, which is rich in clean energy, will maximize the use of natural cooling sources, wind energy, and solar power. There is a high proportion of renewable energy power in the grid; • The Company will continue to actively engage with local governments where its self-built data centers are located to secure clean energy at more favorable prices, reducing the cost of clean energy procurement. This industry-leading performance aims to meet the expectations of investors and government regulators.

[4] WUE, namely Water Usage Effectiveness, is an index to evaluate the water consumption efficiency of the data center. WUE is the ratio of the water consumed by the data center to the energy consumed by its load, that is, WUE(L/kWh) = water consumption of the data center/energy consumption of IT equipment.

Opportunity Category		Potential Impact on Business and Value Chain	Potential Financial Impact	Time Frame	Measures to Seize Opportunities
Products and Services	Conducting green power trading	• We locate our self-built data center in areas with more abundant clean energy, more relaxed energy consumption indicators and more favorable policy support, so as to obtain more clean electricity and indicators. In the future, we will use abundant clean electricity for green electricity trading, and develop energy conservation and emission reduction projects into carbon emission reduction projects to obtain emission reduction benefits.	Increase in revenue	Mid-term and long-term	• We continue to integrate the national integrated data center planning, fully consider the new energy resources in the selected areas, assess the local government's support for renewable energy development and related policies, and prioritize the selection of areas with better conditions for clean power development to build low-carbon data centers; • We continue to develop clean electricity projects and explore opportunities to trade electricity from clean energy to expand emission reduction benefits.
Adaptation	Enhancing adaptation to the impact of climate change	• We adopt a number of energy conservation and emission reduction measures to cope with climate change transition risks and enhance climate resilience; • We implement various measures such as developing extreme weather contingency plans to reduce the impact of climate physical risks on our operations.	Decrease in operating costs	Short-term, mid-term and long-term	• We formulate the *Catalog of Emergency Measures for Typical Emergencies,* the *Emergency Plan for Fuel Leakage Fault* and other relevant documents, set up emergency plans, and carry out emergency drills to mitigate the impact of physical risks of climate change on Kuaishou's business; • We develop and apply low-carbon technologies in our self-built data center, maximize the use of natural cooling sources, wind energy, solar energy and low-power equipment, improve energy efficiency and increase the proportion of new energy utilization.

Climate Resilience

To gain a detailed and comprehensive understanding of Kuaishou's risk levels under different climate scenarios, we have taken into account factors such as the concentration of risks, the magnitude of impact, and the availability of data. This year, by integrating analyses from both internal experts of Kuaishou and external industry specialists, Kuaishou has prioritized a detailed assessment of the financial impacts caused by acute physical risks and policy risks under both low-carbon emission and high-carbon emission scenarios for its self-built data centers. This assessment aims to thoroughly understand Kuaishou's capacity to respond to climate risks under various scenarios.

Risk and Opportunity Categories		Time Frame[5]	Climate Scenario Selection[6]
Physical Risks	Acute Risks	2030, 2050	The SSP2-4.5[7] and SSP3-8.5[8] scenarios, as published by the Intergovernmental Panel on Climate Change (IPCC).
Transition Risks	Policy Risks	2030, 2050	The "Net Zero 2050"[9] and "Current Policies"[10] scenarios, as published by the Network of Central Banks and Supervisors for Greening the Financial System (NGFS).

5 The years 2030 and 2050 respectively encompass the projected data for Kuaishou'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 Company's short-term, medium-term, and long-term operations and finances.

6 When selecting scenarios, Kuaishou considers the following factors: 1) the time period in the scenarios aligns with Kuaishou's strategic planning time horizon, and 2) the climate factors included in the scenarios effectively describe the potential climate pressures Kuaishou may face in the future.

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

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

9 Net Zero 2050 (refers to the low-carbon emission scenario used by Kuaishou 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_2 emissions reach zero by 2050; and the use of clean electricity experiences significant growth.

10 Current Policies (refers to the high-carbon emission scenario used by Kuaishou 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.

Scenario Analysis Results

Risk Assessment Description	Key Assumptions	Impact Level on Financial Indicators			
		Low-Emission Scenario		High-Emission Scenario	
		2030	2050	2030	2050
Potential asset value losses to Kuaishou's self-built data center due to heavy rain and flooding.	• The geographical location of the self-built data center remains unchanged through the target years; • The Company's existing response measures remain unchanged.	Low	Low	Low	Low
Additional clean energy usage costs resulting from response to energy-saving and emission reduction requirements for the self-built data center.	• 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; • The Company can successfully achieve its PUE reduction targets; • The cooling energy consumption of Kuaishou's self-built data center will increase due to rising average temperatures.	Low	Low	Low	Low

In terms of acute physical risks, under the assumption that Kuaishou's self-built data center has no significant changes in its current geographical locations and business models, although asset losses due to heavy rain and flooding show a slight upward trend in the medium and long term, they do not pose significant financial impacts. According to the assessment and analysis, although losses resulting from extreme weather events cannot be entirely avoided, we have established a series of natural disaster prevention systems and emergency plans for our data centers, including the *Kuaishou IDC Infrastructure Natural Disaster Prevention System* and the *Data Center Typhoon and Rainstorm Emergency Plan*, so as to continuously improve the emergency notification mechanism for extreme weather events, and considered historical occurrences of extreme climate events during site selection to minimize related negative climate impacts to the greatest extent possible.

In terms of technological risks, based on the development of clean electricity in the place where Kuaishou's self-built data center is located, successfully achieving the goal of 100% clean energy usage by 2030 will require green electricity and green power certificate procurement. Considering the increase in cooling electricity consumption due to rising average temperatures at the location where it operates and the gradual reduction in PUE, Kuaishou's additional operating costs for maintaining 100% green electricity usage show an upward trend in the medium and long term but do not pose significant financial impacts. Although Kuaishou will incur certain additional costs for the clean energy transition, we can better meet the increasingly stringent energy-saving and emission reduction policy requirements, and accelerate the exploration and implementation of clean electricity trading, so as to enhance its corporate reputation through creating a low-carbon and energy-saving corporate image while achieving carbon emission reduction benefits.

- ***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. 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. In 2024, the Board and the Corporate Governance Committee assessed the climate-related risks, including acute physical risks, chronic physical risks, policy and legal risks, technology risks and reputation risks and proposed viable counter measures with different time scales.

- ***Metrics and Targets***

Kuaishou has set climate change-related targets covering clean energy adoption, energy efficiency optimization, water resource management and greenhouse gas emission reduction, as well as environmental goals such as waste reduction, based on the analysis results of climate risks and opportunities, and regularly monitored the progress of key climate and environmental related metrics and targets.

In 2024, Kuaishou initiated carbon verification and compliance work. In accordance with the management requirements of the Beijing Municipal Ecology and Environment Bureau, Kuaishou successfully applied for additional carbon emission allowances of 17,906 tonnes in Beijing, not only meeting the total carbon emission compliance demand for 2023, but also achieving an allowance surplus of 2,268 tonnes, demonstrating our achievements in low-carbon operations.

Progress on Environmental Goals

Category	Overall Goal	Progress and Implementation Measures in 2024
Clean energy use	• By 2030, Kuaishou's self-built data center will achieve 100% renewable energy usage.	• **Progress:** In 2024, Kuaishou's self-built data center purchased a total of 411,779.0 MWh of green electricity and green power certificate, accounting for 87.1% of its annual electricity consumption, thereby avoiding a total of 220,960.6 tonnes of CO_2 equivalent emissions and effectively minimizing the Company's overall carbon footprint. • **Implementation measures:** Kuaishou continuously promoted the exploration of distributed new energy sources and large-scale integrated projects of source, grid, load, and storage; and increased the renewable energy usage ratio through a combination of green electricity trading and green power certificate procurement.

Category	Overall Goal	Progress and Implementation Measures in 2024
Energy conservation	• By the end of 2028, the electricity consumption per square meter in Beijing offices will be reduced by 8% (based on 2023 levels).[11] • 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.	• **Progress:** In 2024, Kuaishou's total electricity consumption in Beijing offices decreased by 7.4% compared to 2023, while the electricity consumption per square meter decreased by 14.6%. Kuaishou's energy saving and consumption reduction targets have seen early results. In 2024, the lowest level of PUE of Kuaishou's self-built data center can reach as low as 1.139. • **Implementation measures:** Office premises optimized lighting and air conditioning usage plans based on usage scenarios to reduce equipment operation and lighting hours, enhanced energy usage monitoring; set up a national energy consumption dashboard, analyzed quarterly and annual data comparisons to promptly correct deviations, and turned off unnecessary power in real time by implementing a smart office transformation. The self-built data center used high-efficiency equipment, phased out high-energy-consuming equipment, increased the use of clean energy, vigorously promoted the application of liquid cooling server technology, and adopted a large-scale combination of municipal electricity and high-voltage DC power supply.

11 The goal for energy conservation was updated compared to 2023, because most employees worked at home in 2021, resulting in the relatively low per capita energy consumption, and officially resumed to work in the offices after 2023. Additionally, Kuaishou officially moved into its new headquarters in Beijing in late 2023. Setting 2023 as the base year can more accurately reflect the comparison before and after the energy saving and emission reduction in Kuaishou's old and new workplaces.

Category	Overall Goal	Progress and Implementation Measures in 2024
Water conservation	• By the end of 2028, the per capita fresh water consumption in Beijing offices will be reduced by 8% (based on 2023 levels).[12] • New data center park will recycle 100% of rainwater and air-conditioning condensate.	• **Progress:** In 2024, Kuaishou's total fresh water consumption in Beijing offices decreased by 11.5% compared to 2023, while the per capita fresh water consumption decreased by 12.6%. Air conditioning condensate recovery systems were adopted for Kuaishou's self-built and operational data centers. In newly built data centers, water-free air conditioning systems were adopted on a large scale, and the reclaimed water pipeline network was upgraded to enable the use of reclaimed water for landscaping irrigation across the campus. • **Implementation measures:** Kuaishou implemented municipal pipeline renovations and promoted water recycling projects such as reclaimed water reuse in major office premises. Rainwater harvesting systems were installed in the self-built data center, the cooling systems were upgraded to use reclaimed water, and air conditioning condensate was recovered. For new projects, water-free air conditioning solutions were widely adopted, and a dual-control technology for water and electricity was applied, with digital management systems used to monitor water usage changes regularly.
Waste discharge reduction	• 100% harmless treatment of electronic waste will be achieved in all offices. • Waste sorting will be implemented in Beijing offices on an annual basis. • 100% of waste lead-acid batteries in self-built data center will be harmlessly treated by qualified vendors; waste hard drives will be 100% harmlessly disposed of after erasing. • Green procurement will be implemented and green procurement standards will be incorporated into supplier management.	• **Progress:** In 2024, Kuaishou achieved 100% harmless treatment of electronic waste in all offices. In 2024, Kuaishou implemented waste sorting in Beijing offices. Kuaishou's self-built data center established rigorous waste recycling systems, ensuring that all waste was handed over to suppliers for closed-loop and harmless treatment. • **Implementation measures:** Kuaishou implemented harmless waste treatment, with all waste treated through closed-loop processing by suppliers, and continuously promoted the implementation of waste sorting programs. Kuaishou continued to advance the Electronic Equipment Buyback Program for employees. Kuaishou required all listed suppliers to sign and comply with the ESG-related core principles outlined in the *Supplier Admission Commitment Letter*.

12 The goal for water conservation was updated compared to 2023, mainly because most employees worked at home in 2021, resulting in the relatively low per capita water consumption, and officially resumed to work in the offices after 2023. Meanwhile, Kuaishou moved into its new headquarters in Beijing in late 2023. Setting 2023 as the base year can more accurately reflect the comparison before and after the energy saving and emission reduction in Kuaishou's old and new workplaces.

Category	Overall Goal	Progress and Implementation Measures in 2024
Greenhouse gas emission reduction	• Kuaishou will actively respond to national dual carbon goals and practice green operations.	• **Progress:** In 2024, Kuaishou actively practiced green operations, continuously promoted greenhouse gas emission reduction, and successfully applied for additional carbon emission allowances after the application for the adjustment of additional carbon emission allowances for facilities was approved. In 2024, Kuaishou's self-built data center purchased a total of 411,779.0 MWh of green electricity and green power certificate, accounting for 87.1% of its annual electricity consumption, thereby avoiding a total of 220,960.6 tonnes of CO_2 equivalent emissions and facilitating the Company in reducing overall carbon footprint. • **Implementation measures:** Kuaishou conducted carbon emission examination in Beijing offices; applied waste heat recovery technology in the self-built data center and established a carbon emission monitoring platform.

1.2 Green Operations

Kuaishou actively practices comprehensive green and low-carbon concepts, continuously innovating and improving green operations management, optimizing resource efficiency, enhancing waste management capabilities, and reducing pollutant emissions. At the same time, we implement water-saving solutions aligned with Kuaishou's industrial scale and operational types to avoid water waste. Upholding green and low-carbon principles, we contribute to ecological civilization and strive to build a sustainable ecosystem that is green, low-carbon, and circular.

1.2.1 *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*. We continuously improve internal systems like the *Kuaishou Energy Management Strategies*, clarifying energy management responsibilities and adopting the PDCA[13] cycle to enhance our energy management system. Through multiple measures to promote efficient energy use, including green retrofits of electrical equipment in offices and self-built data centers, we continuously strengthen our green competitiveness.

13 PDCA refers to "Plan - Do - Check - Act".

- *Office energy management*

To fulfill its commitment to energy conservation and emission reduction, Kuaishou has established clear energy management goals and is steadily advancing their achievement through the implementation of various innovative measures.

Following the official launch of offices in Beijing, including Kuaishou's headquarters in Central Mobile Intelligence District (CMID) and the Wanjia Denghuo Building, at the end of 2023, we implemented multiple energy-saving initiatives in these office spaces, achieving significant results. Optimization projects for lighting and air conditioning systems were carried out in the CMID 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. These measures are estimated to save 260,000 kWh of electricity annually. By optimizing the operation hours of air conditioning systems, including fresh air units, restroom exhaust fans, and electric air curtains, the CMID and Wanjia Denghuo offices are projected to save approximately 480,000 kWh of electricity per year. Additionally, 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, resulting in a 10.0% energy saving at the CMID gym and a 34.0% energy saving at the Wanjia Denghuo gym compared to the previous year following the renovation.

Furthermore, in 2024, Kuaishou launched a smart meeting room project, implementing an IoT[14]-based intelligent strategy to integrate and manage data from smart hardware, addressing the fine-grained resource management of over 1,000 meeting rooms. Energy-saving measures such as intelligent lighting control, upgraded multimedia device automation, and synchronized meeting room booking and ventilation systems have effectively improved operational efficiency and reduced costs. Additionally, Kuaishou's commuting buses achieved 100% coverage with new energy vehicles. By fully adopting clean energy transportation, the Company effectively reduced primary energy consumption and lowered carbon emissions.

Kuaishou consistently integrates energy-saving concepts into its corporate culture and daily operations. During the Reporting Period, we distributed eco-friendly Dragon Boat Festival gift boxes to all employees. These gift boxes use RPET[15] material instead of conventional PET material, which has a carbon emission reduction ratio of 60.9%, and has been verified to reduce carbon dioxide emissions by a total of 106.4 tonnes. The material has obtained the carbon emission reduction accounting certificate. Through internal ESG communications and the gift box packaging, we promoted low-carbon awareness and actively cultivated a green office culture among employees. Additionally, we advocated for paperless office practices, significantly promoting electronic contract signed to reduce paper usage. Through digital transformation and upgrading, the penetration rate of Kuaishou's electronic contracts has reached 97.5%, which effectively reduces paper consumption while operational efficiency is significantly improved.

[14] IoT refers to Internet of Things.

[15] RPET, namely Recycled PET Fabric, is a kind of materials produced by recycling and reprocessing used PET products (such as plastic bottles).

Kuaishou's Dragon Boat Festival Gift Box and Carbon Emission Reduction Accounting Certificate

Kuaishou actively conducts internal and external audits for environmental management. In 2024, a leased data center of Kuaishou obtained ISO 14001 Environmental Management System certification. Additionally, Kuaishou deeply integrates green building concepts into the planning and operation of office spaces. By introducing advanced sustainable energy management systems, including intelligent daylight regulation systems and high-efficiency lighting equipment, we have significantly improved energy efficiency in office spaces. Our new headquarters office building in CMID in Beijing obtained LEED (Building Operation and Maintenance) Platinum Certification in February 2025. In addition, our leased office building in Hong Kong SAR achieved LEED (Building Operation and Maintenance) Platinum Certification, while our leased office building Center 66 in Wuxi received LEED (Building Operation and Maintenance) Gold Certification, striving to create a healthy, energy-efficient and environmentally friendly workspace that meets international standards for our employees.

- *Energy management in data centers*

Kuaishou complies with national policies 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*. We have revised and enhanced internal regulations, including the *Kuaishou IDC Infrastructure Energy Consumption Management System*, deeply integrating green and low-carbon concepts into the entire lifecycle management of self-built and leased data centers. We have established a comprehensive waste heat recovery system, maximizing resource utilization of Kuaishou's self-built and leased data centers during daily operations by converting waste heat into usable energy through advanced heat recovery technologies, significantly enhancing energy efficiency. In terms of operational management, Kuaishou's self-built and leased data centers have adopted multiple innovative measures, including optimizing cooling systems, implementing intelligent energy consumption monitoring, and upgrading energy-saving equipment, effectively reducing unnecessary energy consumption.

Kuaishou closely follows national green energy policies, actively increasing the proportion of renewable energy usage in self-built data centers through a combination of green electricity trading and green power certificate procurement. In 2024, Kuaishou's self-built data center purchased a total of 411,779.0 MWh of green electricity and green power certificate, accounting for 87.1% of its annual electricity consumption, thereby avoiding a total of 220,960.6 tonnes of CO_2 equivalent emissions and effectively minimizing the Company's overall carbon footprint.

Green Energy-Saving Technologies and Solutions Used in Kuaishou's Self-Built and Leased Data Centers

Green Technology/Solution	Energy-Saving Results
Advanced Cooling Technologies	• Kuaishou self-developed a 72KW liquid-cooled cabinet and liquid-cooled dry coolers, achieving ultra-high-density liquid cooling with near-zero water consumption. • Kuaishou's self-developed integrated waterless fluoropump air conditioning system has been deployed on a large scale with hundreds of units, supporting over 35MW 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. • Kuaishou's self-developed split fluoropump air conditioning system supports large-scale single-building cooling needs and is compatible with ultra-high-density air-cooling scenarios. Kuaishou is also exploring air-liquid hybrid solutions to further enhance system flexibility and energy efficiency. • 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, reducing chiller operation time and energy consumption. • A leased data center of Kuaishou implemented a phase-change multi-split air conditioning system, reducing heat transfer components and improving heat exchange efficiency, better utilizing outdoor cooling sources and reducing mechanical cooling time, achieving a lower PUE.
Power Supply Innovations	• Kuaishou developed a medium-voltage integrated power module and sodium battery technology, achieving 98.3% power supply efficiency, effectively supporting small-volume, high-density AI applications. The Company is exploring new simplified UPS solutions to meet future AI computing demands for low-cost, high-efficiency, compact, and rapid deployment. When fully implemented, it is expected to save over 17 million kWh of electricity annually. • A leased data center of Kuaishou launched a microgrid project in 2024, deploying an intelligent microgrid energy management platform to provide green power through an integrated wind-solar-storage generation system.

Green Technology/Solution	Energy-Saving Results
Waste Heat Recovery Systems	• Kuaishou's self-built data center 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 and CO_2 consumption. • A leased data center of Kuaishou adopted a water-source heat pump heat recovery system, recycling heat from wastewater to reduce energy consumption and CO_2 emissions.

Kuaishou continues to increase its R&D investment in the field of green technology innovation, enhancing resource utilization efficiency and optimizing energy recovery rates through independent research and technological advancements. In 2024, the lowest level of PUE of Kuaishou's self-built data center reached as low as 1.139. In the same year, 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*. Additionally, Kuaishou actively participated in the development of multiple industry standards, including contributing to the revision of national standards such as GB50174–2017 *Data Center Design Standards, General Specifications for Cold Plate Liquid Cooling Units in Data Centers*, and *Technical Specifications for Cold Plate Liquid Cooling Systems in Data Centers*, as well as industry standards like the *Technical Regulations for Liquid Cooling Systems in Data Centers*. Furthermore, Kuaishou joined the Liquid Cooling Professional Committee of the Information and Communication Industry Intellectual Property Alliance and became a member of the OCTC[16] and OCP[17] Open Compute China Community, further driving technological innovation and standardization within the industry. Additionally, a leased data center of Kuaishou received the LEED (Building Design and Construction) Gold Certification in 2024.

1.2.2 *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 documents, including the *Kuaishou Energy Saving and Consumption Reduction Management Policy* and the *Reclaimed Water Usage Management Policy*. By introducing intelligent water monitoring systems and water-saving technologies, we strictly manage the entire process from water extraction and usage to sewage treatment. Additionally, we rigorously control water consumption, 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. These efforts laid a solid foundation for the sustainable development of the Group and the surrounding community environment.

During the Reporting Period, Kuaishou implemented multiple initiatives to promote water conservation measures in both office premises and self-built and leased data centers, effectively ensuring the execution and implementation of water-saving policies.

16 OCTC, Open Compute Technology Committee
17 OCP, Open Compute Project

Kuaishou's 2024 Water Conservation Initiatives

Office premises	• 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. • Comprehensively promoted the installation of water-saving aerators: While ensuring cleaning effectiveness, significantly reduced water usage per handwash through foam technology, enhancing the efficiency of water resource utilization. • 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. • Improved the inspection and maintenance system for water supply facilities: Through preventive maintenance and rapid response mechanisms, eliminated water waste caused by water leakage.
Self-built and leased data centers	• Installed 3 sets of integrated sewage treatment equipment. • Established a water recycling system to systematically treat and recycle domestic sewage for secondary reuse. • Implemented a reclaimed water recycle project: Treated reclaimed water is used for landscape irrigation or, after secondary reverse osmosis treatment, for cooling water systems. In 2024, over 40.0% of the cooling water in a leased data center of Kuaishou came from reclaimed water. • Built a 1,800 cubic meter rainwater collection pool for daily landscape irrigation in the park.

Case: Workplace Reclaimed Water Recycle System Renovation Project at Kuaishou's CMID in Beijing

As a key initiative in the Company's water resource management, the workplace reclaimed water recycle system renovation project at Kuaishou's CMID in Beijing was completed in December 2024 and the upgrade and renovation of the municipal pipeline system is expected to be officially operational in 2025. Once operational, the project will enable 100% of non-washing water in office restrooms to be sourced from reclaimed water, significantly enhancing water recycling efficiency. The initiative is estimated to save RMB10,000 per month in water costs, making a positive contribution to the sustainable use of regional water resources.

1.2.3 *Emissions Management*

Kuaishou strictly follows the national environmental protection 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*, as well as waste management policies. In 2024, Kuaishou revised internal regulations, including the *Kuaishou Domestic Waste Management Regulations*, and implemented systematic management measures such as source reduction, classified collection, and standardized disposal to effectively advance comprehensive waste management.

Kuaishou has fully implemented a waste classification management system across its nationwide offices, assigning dedicated personnel to oversee waste sorting and supervision, and promptly reporting waste classification execution to relevant departments. This initiative has significantly improved waste management efficiency and resource recovery rates. For hazardous waste, Kuaishou has established strict disposal procedures, entrusting professional third-party organizations with national certification qualifications to handle the waste in a standardized manner, thereby minimizing the environmental impact. Additionally, Kuaishou continuously improves its IT equipment disposal system and optimizes the disposal processes for consumables to reduce resource waste and further refine waste management system.

Major Types of Kuaishou Waste

Non-hazardous waste	Domestic waste, kitchen waste, office waste
Hazardous waste	Toner cartridges for printers, used batteries, used antifreeze from diesel generators, used motor oil

Kuaishou has established a comprehensive resource closed-loop management system, achieving waste reduction, resource recovery, and harmless treatment through the formulation of solid waste utilization plans.

Kuaishou's Waste Recycling Initiatives

Recycling of waste in office premises	• Kuaishou has launched a "Used Electronic Device Repurchase" program within the Company, allowing its employees to choose to repurchase their electronic devices such as laptops, system units, computers, monitors, tablets from the Company after reaching the specified usage period. This initiative promotes the recycling and reuse of electronic devices, effectively extends the lifecycle of electronic products, and reduces the generation of electronic waste. In 2024, Kuaishou's employees repurchased a total of 4,310 electronic devices through this program.
Recycling of waste in self-built and leased data centers	• Kuaishou's self-built data center has established rigorous waste recycling systems, including the *Solid Waste Management System for Ulanqab (Kuaishou) Data Center*, with detailed records. During the Reporting Period, 50 batteries were replaced and professionally recycled by battery manufacturers. • Kuaishou continuously refines the *Management Mechanism of Disposal of IT Equipment and Components in Data Centers* issued by the Department of Infrastructure to regulate and ensure the closed-loop management of resources in self-built data centers. • Kuaishou has established a battery waste recycling system in its major leased data centers. In some of these data centers, Kuaishou has implemented battery recycling programs, with all recycled batteries professionally processed by battery manufacturers to ensure environmentally friendly disposal.

Kuaishou places high importance on noise pollution management, strictly adhering to the *Law of the People's Republic of China on the Prevention and Control of Environmental Noise Pollution* and other relevant laws and regulations in respect of environmental protection, and integrating noise management into its environmental management system. Kuaishou prioritizes the protection of the ecological environment around project sites, implementing systematic noise control measures to ensure the noise generated from the operation of our self-built and leased data centers is strictly controlled within the limits prescribed by regulatory requirements. Additionally, Kuaishou has undertaken noise reduction renovations in a leased data center, including the installation of high-efficiency noise barriers and advanced sound-absorbing and sealing materials, to reduce equipment noise and minimize its impact on surrounding communities.

1.2.4 *Biodiversity Protection*

Kuaishou consistently upholds the principle of balancing business and ecology, adopting eco-friendly operational practices. In 2024, the Company launched biodiversity-themed educational training, covering all employees. At the same time, we conducted biodiversity assessments and mitigation measures across all production and operational scenarios to minimize impacts on local and surrounding ecosystems.

In self-built and leased data center areas, Kuaishou actively implements multiple biodiversity protection measures, focusing on the potential impacts of operational activities on surrounding communities and ecosystems. Targeted measures are taken to promote harmonious coexistence between communities and nature. Kuaishou conducts comprehensive testing of exhaust gases, wastewater, groundwater, and noise to ensure all indicators comply with national standards, effectively reducing pollution of air, water, and soil, and protecting local biodiversity. Exhaust gas testing significantly reduces the direct harm of harmful gases to vegetation and wildlife, preventing pollutants from spreading through the atmosphere and affecting broader ecosystems. At the same time, through wastewater testing, Kuaishou ensures that the discharged water meets quality standards, preventing toxic substances from entering water bodies and protecting aquatic life and habitats. In addition, by regularly monitoring the quality of groundwater, Kuaishou ensures the sustainable use of groundwater resources, further reducing ecosystem disturbances. These measures provide strong support for regional biodiversity protection.

Biodiversity Protection Measures

Implementation Phase	Protection Measures
New site planning and construction phase	• Implement the "Three Simultaneities" system, requiring pollution prevention facilities to be designed, constructed, and operationalized simultaneously with main projects; • Develop environmental risk emergency response plans and submit them to relevant regulatory authorities for record; • Clarify ecological protection clauses and environmental responsibilities with construction contractors; • Conduct regular ecological environment monitoring in protected areas.
Site operation phase	• Formulate environmental protection management measures for the operational phase; • Implement environmental monitoring, pollution prevention, ecological compensation, and restoration measures.

During the Reporting Period, Kuaishou's operational areas (including self-built data centers and office premises) did not receive any environmental-related administrative penalties.

1.3 Key Environmental Indicators

Indicators	Unit	2024 [18]
Total greenhouse gas emissions (Scopes 1 and 2)[19]	ten thousand tCO_2e	**27.61**
Emissions (Scope 1)	ten thousand tCO_2e	0.21
Emissions (Scope 2 location-based)[20]	ten thousand tCO_2e	27.40
Emissions (Scope 2 market-based)[21]	ten thousand tCO_2e	5.78
Per capita greenhouse gas emissions (Scopes 1 and 2)	tCO_2e/person	9.98
Total greenhouse gas emissions (Scope 3)[22]	ten thousand tCO_2e	**125.91**
Category 1: Purchased goods and services	ten thousand tCO_2e	3.05
Category 2: Capital goods	ten thousand tCO_2e	29.03
Category 3: Fuel and energy-related activities	ten thousand tCO_2e	4.79
Category 6: Business travel	ten thousand tCO_2e	1.72
Category 7: Employee commuting	ten thousand tCO_2e	1.04
Category 8: Upstream leased assets	ten thousand tCO_2e	86.28

18 In 2024, the scope of all the data for key environmental indicators was adjusted. Except for emissions (scope 3), the remaining key environmental performance indicators only covered Kuaishou's self-built data center and all the operational offices. As a result, there were significant changes in the data compared to 2023.

19 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 FY2024. Greenhouse gas emissions are calculated in accordance with the *Greenhouse Gas Protocol* and are presented in carbon dioxide equivalents.

20 The Scope 2 GHG emissions calculated based on the location-based methodology are mainly derived from indirect GHG emissions from purchased electricity and purchased heat consumed in the operation processes of Kuaishou, 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 2024 electricity emission factor adopts the grid emission factor of 0.5366 tCO_2MWh from the *Announcement on the Release of 2022 Electricity CO_2 Emission Factor* issued by the Ministry of Ecology and Environment on December 26, 2024.

21 The Scope 2 GHG emissions calculated by the market-based approach are mainly derived from indirect GHG emissions from purchased electricity (excluding market-traded non-fossil energy electricity) and purchased heat consumed in the operation processes of Kuaishou, 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 2024 electricity emission factor adopts the grid emission factor (excluding market-traded non-fossil energy electricity) of 0.5856 tCO_2MWh from the *Announcement on the Release of 2022 Electricity CO_2 Emission Factor* issued by the Ministry of Ecology and Environment on December 26, 2024.

22 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. In 2024, 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.

Indicators		Unit	2024 [18]
Comprehensive energy consumption		MWh	520,171.04
Direct energy consumption		MWh	9,296.12
Including:	Natural gas[23]	m^3	902,426.97
	Diesel	tonne	31.60
Direct energy consumption intensity		MWh/person	0.34
Indirect energy consumption		MWh	510,874.92
Including:	Purchased electricity	MWh	509,733.53
	Purchased heat	GJ	4,111.27
Indirect energy consumption intensity		MWh/person	18.46
Fresh water consumption[24]		ten thousand tonnes	22.63
Per capita fresh water consumption		tonne/person	8.18
Waste water discharge[25]		ten thousand tonnes	13.25
Per capita waste water discharge		tonne/person	4.79
Hazardous waste[26]		tonne	51.16
Per capita hazardous waste		kg/person	1.85
Non-hazardous waste		ten thousand tonnes	0.56
Per capita non-hazardous waste		kg/person	202.64

23 At the end of 2023, Kuaishou proactively relocated and consolidated its office premises to centralize dispersed resources, enhance resource utilization efficiency, and reduce wastage. Since 2024, Kuaishou's natural gas reporting scope included operational office premises and self-built data centers, resulting in a significant change in natural gas consumption compared to the previous year.

24 At the end of 2023, Kuaishou proactively relocated and consolidated its office premises to centralize dispersed resources, enhance resource utilization efficiency, and reduce wastage. Since 2024, Kuaishou's fresh water consumption reporting scope included operational office premises and self-built data centers, resulting in a significant change in fresh water consumption compared to the previous year.

25 At the end of 2023, Kuaishou proactively relocated and consolidated its office premises to centralize dispersed resources, enhance resource utilization efficiency, and reduce wastage. Since 2024, Kuaishou's waste water discharge reporting scope included operational office premises and self-built data centers with the extensive reuse of reclaimed water, resulting in a significant change in waste water discharge compared to the previous year.

26 At the end of 2023, Kuaishou proactively relocated and consolidated its office premises, during which a batch of electronic products were uniformly disposed of, bringing a one-off impact. Since 2024, Kuaishou's hazardous waste reporting scope included operational office premises and self-built data centers, resulting in a significant change in hazardous waste compared to the previous year.

2. SOCIETY

Kuaishou is committed to collaborating with users, employees, and suppliers to build a warm and trustworthy online community, providing users with high-quality experiences, enabling employees to realize their potential, and fostering win-win partnerships with suppliers. Kuaishou places high importance on product quality and service, employee growth and development, corporate ethics and responsibility, supply chain management and standards, and social welfare and contributions, aiming to promote sustainable industry development and create social value.

2.1 Platform Responsibilities

Kuaishou continuously enhances its digital experience and service offerings for users, prioritizing platform data security, user privacy protection, and intellectual property protection. The Company actively engages in industry collaborations to improve platform standardization and ecosystem development, while also focusing on content governance and customer service to foster a safe and healthy online environment, ensuring an optimal user experience.

2.1.1 Safeguarding Data Security

Kuaishou places a strong emphasis on platform data security, strictly adhering to 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* and other laws and regulations. The Company formulates and updates internal regulatory documents, including the *Kuaishou Information Security Management Regulations*, the *Kuaishou Employee Information Security Code*, the *Third-party Platform Account Permission Management Standards* and the *Kuaishou Safety Violation Handling Management Regulations*. These documents standardize security practices across all business lines and subsidiaries, clearly defining data security management requirements for both employees and third-party platforms. Kuaishou integrates information security incidents into employee performance evaluations, imposing varying levels of penalties on responsible personnel based on the impact of the incidents. Serious violations may lead to employment termination and inclusion in the Sunshine Integrity Alliance's list of untrustworthy individuals, reinforcing the importance of maintaining a high level of data security awareness at all times. In 2024, Kuaishou revised and improved 1 data security-related regulation and introduced 2 new policies, further strengthening security controls over employees' office terminal devices and the accounts and permissions of third-party platforms within the Company. Kuaishou also clarified the security management requirements throughout the entire lifecycle of data usage and processing, ensuring comprehensive protection of data security.

To ensure the effective implementation of Kuaishou's data security management, we have established an Information Security Management Committee led by members of the Executive Management Committee, which is responsible for developing strategies and reviewing and approving information security policies. A dedicated working group, composed of office staff and relevant business departments, is responsible for the execution of specific tasks, ensuring that work is effectively communicated and steadily implemented. In 2024, Kuaishou obtained several information security management system certifications, including ISO

27001 information security management system, ISO 27701 privacy information protection management system and ISO 27017 cloud service information security management system, covering 100% of our business lines. Meanwhile, Kuaishou Advertising and Content Alliance SDK[27] has obtained SDK security certification, providing developers with a more robust and trustworthy software development kit. Furthermore, in 2024, Kuaishou received the Three-Star Certificate for Social Responsibility Evaluation of Data Security and Personal Information Protection from the Data Security Working Committee of the China Cybersecurity Industry Alliance (CCIA), as well as the Data Security Construction Capability Certification from the Digitalization Working Committee. These accolades affirm Kuaishou's domestic leadership in organizational management, system and process integrity, technical tool application, personnel expertise, regulatory compliance, data processing security, risk assessment and mitigation, and emergency response and recovery capabilities.

Three-Star Certificate for Social Responsibility Evaluation of Data Security and Personal Information Protection

Data Security Construction Capability Certification

Kuaishou actively conducts internal and external security inspections related to data security and third-party audits, regularly assessing, preventing and controlling risk points. We perform internal audits on information system operation and maintenance inspections and information security inspections at least once per quarter and perform external independent third-party audits on data security at least once per year. In November 2024, to analyze Kuaishou's data security risks and the safety of processing critical and core data, we engaged the China Academy of Information and Communications Technology (CAICT) to conduct a data security risk assessment on Kuaishou. The comprehensive risk assessment level was rated as excellent, with no data risk items of high risk and above identified. In terms of compliance evaluation, Kuaishou fully meets the requirements for legitimacy and necessity assessment, basic security assessment, and data lifecycle security assessment. In terms of security risk analysis, Kuaishou satisfied all requirements related to network environment and technical measures, management systems and processes, participants and recipients management, and security posture.

[27] SDK, Software Development Kit.

Additionally, we require merchants handling user personal information or sensitive business data to complete a *Data Security Capability Questionnaire* to assess their data protection capabilities, including data storage and encryption. We also require suppliers or partners handling sensitive personal information to sign the *Data Protection Agreement* and the *Data Compliance Undertaking Letter* to ensure the security of Kuaishou's data. Kuaishou regularly conducts follow-up inspections of third-party suppliers and partners, documenting and evaluating their latest data security protection capabilities and urging those with issues to rectify them promptly to maintain the validity of their data security compliance qualifications.

Kuaishou continuously strengthens its cybersecurity defense capabilities. Guided by internal regulations such as the *Kuaishou Vulnerability Handling Specifications* and the *Kuaishou Security Incident Emergency Response Specifications*, we conduct practical security drills by using contingency platforms to ensure rapid and effective responses to various security risks and threats. Additionally, we conduct cybersecurity level protection filing and evaluation, continuously improving the network security protection system and enhancing the overall level of security protection. In 2024, Kuaishou completed evaluation of level protection for 18 systems, further enhancing our data security management capabilities.

We regularly conduct training on data security, coding security, and other related topics, covering all employees (including full-time, part-time, dispatched labor, and interns) and third-party partners (including contractors and suppliers). This systematic training aims to improve information security awareness, capabilities, and sensitivity to data security risks among employees and partners. In September 2024, to reinforce employee security awareness and knowledge, we required all employees to take information security exams through online courses and exams, achieving a 100% pass rate. Furthermore, we actively encourage and fully support employees involved in data security to pursue professional certifications such as CISP[28], CISSP[29], and the Personal Information Protection Professional Certificate issued by the Institute of Electronic Industry Standardization under the Ministry of Industry and Information Technology, enhancing their expertise and skills in the field.

Kuaishou's Data Security Trainings in 2024

Participants	Content	Training Performance
All employees (including full-time and part-time employees, new employees, dispatched labor and interns)	Including user personal information protection measures, data classification and grading management system, data security incident ratings and corresponding handling measures. New employees are required to participate in and complete information security awareness training and examinations after onboarding.	Over 20,000 participants in 2024, covering over 120,000 employees.
Finance, human resources, main platform technology, commercialization, gaming departments and others	Importance of information security, introduction to information security systems, and managerial security responsibilities and requirements.	A total of 16 offline data security training sessions conducted in 2024, with over 2,000 participants.
Partners (including contractors and suppliers)	Training on personal information protection and mobile application privacy compliance.	Over 130 partners covered in 2024.

28 CISP, Certified Information Security Professional.

29 CISSP, Certification for Information System Security Professional.

Kuaishou maintains an open, educational and progressive attitude, valuing and actively participating in external exchanges and cooperation opportunities. In 2024, we participated in the standard week meetings and activities of the National Technical Committee 260 on Cybersecurity of Standardization Administration of China, as well as network data security management regulation activities. We also encouraged employees to participate in the Data Security Intermediate Assessor Training under the Data Security Talent Enhancement Program in the telecommunications and internet industry. Through external salon activities, we hosted security technology sharing sessions, fostering platforms for interaction and knowledge exchange with industry experts.

Case: Kuaishou Organized a Series of Security Salon Activities

In 2024, Kuaishou successfully hosted 2 security salon activities: "Zero Trust Without Borders" and "Practicing Compliance Standards, Safeguarding Digital Security." These activities covered topics such as the importance of identity verification in protecting sensitive information, the application and challenges of the zero-trust security model, and the information security threats faced by enterprises. Combining online and offline formats, the activities facilitated in-depth discussions on practical cases and cutting-edge technologies, promoting deep exchanges with industry partners and contributing to industry standardization and normalization.

"Zero Trust Without Borders" Security Salon Activity

Kuaishou places great emphasis on the efficiency and security of data management. During the Reporting Period, we engaged in data confidentiality governance to strengthen data security management systems and enhance data governance capabilities.

Case: Security Governance of Data Confidentiality Governance

In 2024, Kuaishou enhanced data confidentiality governance, focusing on internal business data and personal information, collaborating with data platforms and various business teams to improve data management efficiency and security. This initiative ensures data integrity and confidentiality, providing robust data support for business development.

- For business teams, we refined data confidentiality guidelines for each team based on data security management regulations.
- For data platforms, we conducted confidentiality review for all data fields stored on the platform.
- For data permissions, we implemented several measures, including permission reclamation, restricting the validity period of individual employees' access to sensitive data, and managing the handover of data permissions when employee resigned or transferred to other departments.

2.1.2 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. During the Reporting Period, we updated internal management standards and application privacy policies, including the *Kuaishou Employee Information Security Code* and the *Kuaishou Privacy Policy*, improved the security management requirements for employees' office equipment, and introduced new internal documents such as the *Data Security and Privacy Assessment Standards* and the *Third-party Platform Account Permission Management Standards* to further strengthen data security and privacy.

To implement information security and personal information protection requirements, Kuaishou established information protection functions to coordinate major issues and tasks related to information security protection. The Information Security Center, as the competent authority for information security, is primarily responsible for the daily management of information security and the development of security assurance capabilities. Additionally, to strengthen the management of data security and personal information protection and address related challenges, the Information Security Committee authorized the establishment of a privacy protection task force and a data security task force. These groups are responsible for coordinating and supervising Kuaishou's data security and personal privacy protection, providing strong support for information security initiatives.

We prioritize the investigation and corrective measures for privacy protection incidents, developing a privacy protection incident investigation SOP[30] In the event of a privacy breach, we promptly handle it in accordance with the *Kuaishou Information Security Incident Emergency Response Specifications*, notify users, and ensure that their personal information is respected and protected to the greatest extent possible. A dedicated team follows up on the investigation, implements risk mitigation measures, and, after the incident is resolved, conducts a review to identify root causes and prevent recurrence.

Kuaishou consistently upholds the "principle of consistency of rights and responsibilities, minimum necessity, security assurance, and informed consent". 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. In the event of a data breach, users will be notified immediately to ensure the utmost respect for and protection of their personal information. Furthermore, Kuaishou assures that we will not rent, sell, or disclose users' personal information to third parties except to the extent that such information is necessary to facilitate a transaction or service such as e-commerce orders. During the Reporting Period, Kuaishou continued to strengthen the control of personal information collection, 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. Using an internal privacy compliance detection platform, we conduct cardinal point testing before app releases to ensure that the collection and use of user data comply with relevant compliance standards, safeguarding user information security and privacy.

30 SOP, Standard Operating Procedure.

Kuaishou has established independent privacy policies for all its products, ensuring that all privacy protection policies apply to third-party collaborators. Users are clearly informed about the purposes of information collection, their rights to manage personal data, 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.

Kuaishou places great importance on data leakage issues. During the Reporting Period, we conducted a series of special governance activities to strengthen control at various data interaction points to prevent data leakage incidents.

Series of Special Governance Activities to Prevent Data Leakage

Download	We prompt employees via pop-ups to collect information about their data download needs and context. We also store relevant logs to enable real-time monitoring and tracing of data usage and flow.
Data transmission	We strictly control the process of data cooperation with third parties. Based on the lifecycle of third-party data cooperation, from introduction to exit, we refined the control process mechanism for data outflow and implemented the control requirements in each business department. We also added assessment points during data transfers, establishing monitoring capabilities to analyze and audit data transmission, effectively identifying potential risks.
Employees' office devices	We embedded security management software into the device connection function, mandating that all devices connected must install this software, significantly improving the coverage of security software on employees' devices.

Case: Highly Sensitive Personal Information Governance Initiative

In 2024, Kuaishou continued to strengthen the protection of sensitive personal information. Through data tagging and identifying capabilities, we developed technologies to identify sensitive personal information such as phone numbers, addresses, and real-name information. We conducted in-depth security risk assessments on all application systems storing sensitive personal information, effectively identifying and addressing potential data security risks. We implemented measures such as desensitized display, storage encryption and authentication, and authority management. Combined with monitoring and auditing, Kuaishou's overall level of sensitive personal information protection has significantly improved.

Kuaishou regularly conducts internal audits and actively participates in external audits and certifications to ensure the compliance and reliability of its personal information protection management system. In 2024, Kuaishou continued to conduct privacy compliance audits for its distribution apps and personal information protection audits, focusing on real-name authentication scenarios in Kuaishou's live streaming business. The audit focused on "processing sensitive personal information," "internal management systems and operational procedures for personal information protection," and "security technology measures," aiming to identify personal information protection issues and security compliance risks. In terms of external certifications, Kuaishou obtained ISO 27701 Private Information Management System certification and ISO 27001 information security management system.

Kuaishou places great emphasis on the potential risks associated with personal privacy information and is committed to building a robust privacy protection system. In response to various privacy security issues that may arise, Kuaishou swiftly takes internal response measures and actively carries out remedial actions. In 2024, we improved Kuaishou's personal information protection system, added corresponding regulations, and implemented relevant mechanisms. Meanwhile, we supplemented the personal information security incident emergency response plan and its management systems to ensure precise and efficient handling of various security incidents. Furthermore, during the Reporting Period, Kuaishou introduced a new emergency response plan for children's personal information incidents, developed corresponding plans, and regularly organized emergency drills for incidents related to minors, so as to continuously enhance its response capabilities through practical simulations, and effectively safeguard users' personal privacy information security.

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.

While continuously improving its privacy protection capabilities, Kuaishou also actively promotes the standardization of personal information protection within the industry. Internally, Kuaishou organized employees to participate in PIPP (Personal Information Protection Project) training to enhance their awareness and capabilities in personal information protection, improving overall privacy protection level. Externally, Kuaishou participated in the formulation of the national standard *Data Security Technology Personal Information Protection Compliance Audit Requirements (Draft for Comments)*, contributing to the industry's efforts in personal information protection.

2.1.3 *Protection of Intellectual Property Rights*

Kuaishou is aware that a robust intellectual property (IP) protection system provides a favorable legal environment for industry development and system guarantee for innovation. We strictly comply with laws and regulations such as the *Patent Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, and the *Internet Domain Name Management Measures*. We have established internal regulations such as the *Standard Patent Work Manual*, *Patent Quality Control Standards*, *Patent Work Guidelines*, *Trademark Protection Guidelines*, and *Copyright Registration Guidelines* to comprehensively manage Kuaishou's intellectual property.

知识产权合规管理体系认证证书

[证书编号] 18124IP0565R2L

兹证明

北京达佳互联信息技术有限公司

统一社会信用代码：911101083978285266

注册地址：北京市海淀区西二旗西路16号院12号楼8层101

审核地址：北京市海淀区西二旗西路16号院12号楼8层101

知识产权合规管理体系符合标准：GB/T 29490-2023

通过认证范围：

视频播放平台的研发、销售、上述过程相关采购的知识产权管理。

注：认证范围不包括未获得有效的国家规定的相关行政许可、资质许可的产品/服务范围。

首次发证日期：2018年12月06日 本次发证日期：2024年12月06日 有效期至：2027年12月05日

本证书需经颁证机构年度监督审核，并与年度监督审核合格通知书一并使用方可确认其有效性。

中规认证

签发：

中规（北京）认证有限公司

注册地址：北京市海淀区高粱桥斜街11号11层1105室（100044）

Tel：010-82102168；Web：www.zgrzbj.com

本证书信息可在中国国家认证认可监督管理委员会官方网站（www.cnca.gov.cn）查询

Kuaishou Intellectual Property Compliance Management System Certification

In 2024, Kuaishou successfully obtained the national standard certification for the *Enterprise Intellectual Property Compliance Management System Requirements (GB/T 29490–2023)* issued and implemented by the State Administration for Market Regulation and the National Standardization Administration. This certification integrates the IP management system into the entire chain of Kuaishou's IP management, covering all aspects and the full lifecycle of business operations and significantly enhancing its systematic capabilities in IP compliance management.

Kuaishou adheres to a "dual emphasis on quantity and quality" approach in its intellectual property development strategy. As of December 31, 2024, Kuaishou had filed 12,967 patent applications domestically and abroad in total, among which, 6,358 patents were granted. We have also obtained 10,195 domestic and international trademark registrations and 7,232 copyright registrations. The "Kuaishou" trademark has been repeatedly recognized as a well-known trademark. Additionally, 2 of Kuaishou's patents, including "Message Interaction Method, Device, Electronic Equipment, and Storage Medium", received the "China Patent Award" by the National Intellectual Property Administration for their high technical value and groundbreaking innovation.

Case: Leading Standard Development and Achieving New Breakthroughs in Patent Monetization

Kuaishou's audio and video technology team is committed to the development and innovation of audio and video codec technology standards, actively participating in the formulation of next generation of audio and video international standards of ISO/ITU-T[31] and the AVS3 international standard[32]. In 2024, Kuaishou achieved its first patent monetization achievements through a patent pool, showcasing our solid foundation and innovation capabilities in the audio and video technology field. This also lays a solid foundation for our continued participation in the formulation of international audio and video patent licensing rules and patent pool construction.

Case: Open Licensing of Elderly-Friendly and Disability-Assisting Patents to Promote Technological Accessibility

In 2024, Kuaishou actively responded to the national patent open licensing system and filed 3 patents on elderly-friendly and disability-assisting technologies, making them freely accessible in compliance with the *Special Action Program on Elderly-friendly and Barrier-Free Retrofitting of Internet Applications* and the *Elderly-friendly Design Specification for Mobile Internet Applications*. Additionally, we entered into free licensing agreements with several companies, promoting technology sharing and collective progress in the field of barrier-free technology, thereby contributing to a more inclusive and friendly digital environment.

Case: Kuaishou Reached a Patent Cross-Licensing Cooperation with Semiconductor Chip Giants

In 2024, Kuaishou announced a patent cross-licensing cooperation with a globally renowned semiconductor chip company. This collaboration not only demonstrates Kuaishou's strength in technological innovation and IP protection but also reflects our commitment to optimizing the innovation ecosystem and IP protection environment across the industry chain and the nation.

31 Refers to the new generation of international standards for coding, decoding, transmission and storage of audio and video data jointly developed by the International Standards Organization (ISO) and ITU Telecommunication Standardization Sector (ITU-T).

32 AVS3, or Audio Video Coding Standard 3, refers to the third generation of a series of audio and video coding standards independently developed by China.

Trademark and brand building play a crucial role in the modern business environment. In 2024, Kuaishou continued to strengthen its efforts in trademark and brand building, becoming one of the first companies selected for the National Intellectual Property Administration's "Thousand Enterprises and Hundred Cities" trademark and brand value enhancement action. To address trademark infringement, we have established a comprehensive infringement monitoring and rights defense system, regularly clearing the market to avoid user confusion while creating typical cases to effectively deter infringement.

Case: Typical Cases of Defensing Kuaishou's Trademark Rights

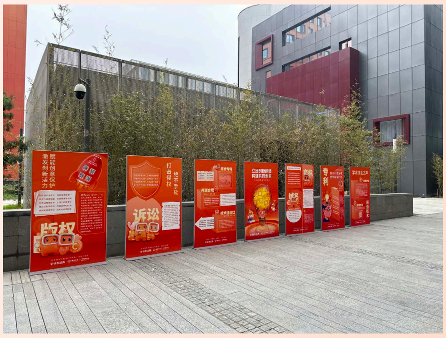
- The invalidation case of "Kuaishou Laotie" was recognized as one of the "Top 10 Typical Cases of Regulating Malicious Trademark Registration" by the Beijing Intellectual Property Court
- The invalidation case of "Kuaishou A'xiu" was included in the Trademark Protection Casebook by the China Intellectual Property Law Research Association
- "Jungle Speed" trademark invalidation case was selected as one of the "Top 10 Typical Non-Complaint Cases" by Beijing Trademark Association

In November 2024, Kuaishou officially joined the Internet Trademark and Brand Professional Committee of the China Trademark Association, collaborating with industry peers to strengthen trademark communication and cooperation in the internet industry, promoting the healthy and sustainable development of the industry.

To help employees understand the importance of IP protection, Kuaishou organized specialized training during the IP promoting week, enhancing internal awareness and capabilities in IP protection. As of December 31, 2024, Kuaishou conducted 7 training sessions, with over 200 participants in total.

Case: Kuaishou Hosts IP Promoting Week to Inspire Innovation

During the 2024 World Intellectual Property Day, Kuaishou successfully hosted the "Kuaishou IP promoting week" series of events. These activities included recognizing paragon in innovation, organizing standards and patents knowledge sharing seminar, and releasing the *Kuaishou Innovation and Intellectual Property Protection White Paper (2024)*. As of December 31, 2024, these initiatives significantly stimulated internal innovation, with training activities reaching over 6,000 employees, effectively enhancing their IP protection awareness.



Kuaishou IP Promoting Week Training Activities

Kuaishou has been committed to fostering internal innovation through an open and inclusive collaborative environment, resource support and the incentive mechanism to encourage all employees to explore innovative solutions in their respective roles. In 2024, during the "1024 Carnival", we organized a series of themed events, including the "Dark Horse Product and Technology Innovation Competition", the "Techshow for Technical Teams", the "Big Shot Arriving" and the "1024 Awards Ceremony". These initiatives aimed to inspire technical staff to innovate and incubate technological achievements.

The Kuaishou IP Protection Platform, as an online service platform, aims to improve the experience in filing complaints and defending their rights for brand owners, creators, and other rights holders, while maintaining a healthy e-commerce ecosystem. In 2024, Kuaishou continued to take measures such as authenticating brand and combating infringement to seriously handle cases involving trademark, copyright, and patent infringement.

2.1.4 *Standard Ecosystem Development*

Kuaishou is committed to promoting standard ecosystem development through collaboration, actively participating in international standard formulation, and aligning domestic standards with international ones to enhance industry competitiveness. 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) (formerly known as the National Information Security Standardization Technical Committee), 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 2024, Kuaishou joined the China Standardization Association as a new member, participating in the Internet Technology and Application Professional Committee and the Data Intelligence Professional Committee. We also joined the New Technology Security Standards Task Force under the National Technical Committee 260 on Cybersecurity of Standardization Administration of China (SAC/TC260), actively engaging in AI security compliance standardization work.

Kuaishou's Internal Standardization System Work in 2024

Standardization Effort for Minor Protection	• Participated in drafting the *Cybersecurity Standards Practice Guide — Technical Requirements for Mobile Internet Youth Mode* issued by the National Technical Committee 260 on Cybersecurity of the Standardization Administration of China, and actively responded and implemented the upgrade of Youth Mode. • Led/participated in more than 10 standards related to the construction of minors' mode and minors' personal information protection, including the industry standard of the China Communications Standards Association (CCSA), *Technical Requirements for Notification of Consent for the Handling of Children's Personal Information in Mobile Internet Applications (APPs)* and the Telecommunications Terminal Industry Association's *T/TAF 238.1–2024 Requirements for Internet Protection of Minors' Personal Information Part 1: Identity Verification*, which we have deeply participated in the form of a co-lead, and cooperated with the regulatory authorities to actively explore the protection of minors' rights and interests and built a healthy network ecological environment for minors.

Standardization Effort for Data Security and Personal Information Protection	• Led/participated in the formulation of a total of 26 standards related to data security, including participation in the publication of the national standard *GB/T 43697–2024 Data Security Technology Data Classification and Grading Rules*, and 2 industry standards *YD/T 3956–2024 Specification for Risk Assessment of Data Security in the Telecommunications Sector*, and *YD/T 4946–2024 Technical Requirements and Testing Methods for Data Watermarking in Telecommunications Networks and the Internet*. • Led/participated in a total of 62 standards in the field of personal information protection, including 2 national standards, *GB/T 43739–2024 Guidelines for Standardized Audit and Management of Personal Information Processing of Mobile Internet Applications (Apps) of Data Security Technology Application Stores* and *Data Security Technology Security Requirements for Processing Sensitive Personal Information*. In addition, *T/TAF 237–2024 Deep Synthesis Measurement Specification for Face Information Protection* and *T/TAF 209–2024 Measurement Specification for Compliance Development and Management of Mobile Internet Apps*, which were compiled with the participation of Kuaishou, were awarded the first and second prizes of TAF's Outstanding Projects in 2024 respectively.

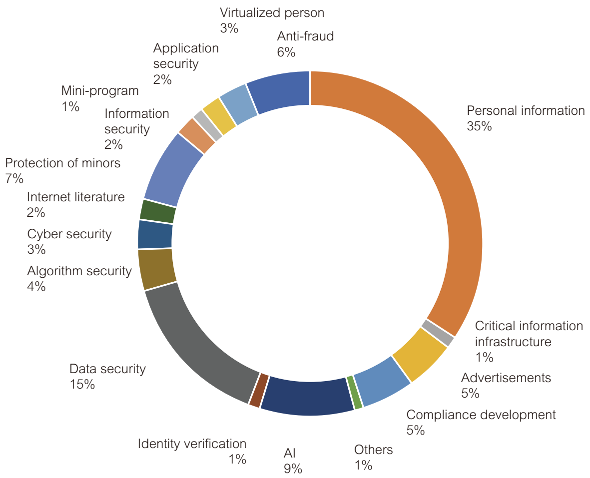
While strengthening its internal standardization framework, Kuaishou actively promotes the implementation of relevant international, national, industry, and group standards. In 2024, the Company was honored with the Outstanding Contribution Award by the China Cybersecurity Industry Alliance (CCIA) and was selected as one of the first pilot units for the Data Security Standards Strengthening and Empowerment Initiative during the National Cybersecurity Awareness Week. Kuaishou regularly releases in-depth interpretations of compliance standards to ensure that all employees stay informed and proficient in the progress of standardization efforts within critical compliance areas.

China Communications Standards Association Membership Certificate for Kuaishou

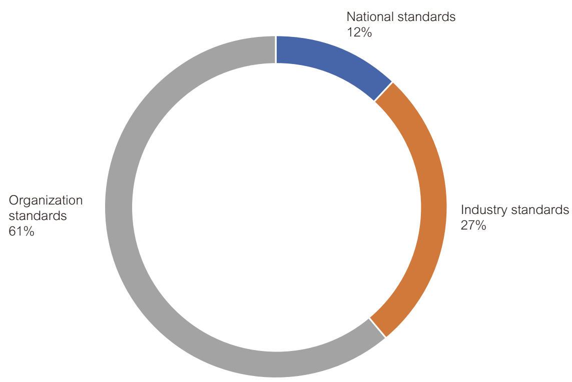
Certificate of Entity Membership of IEEE SA for Kuaishou

Certificate of Membership of the National Information Security Standardization Technical Committee for Kuaishou

In 2024, Kuaishou led and participated in 180 international, national, industry and group standards setting in the fields of personal information protection, data security, anti-phone scam, protection of minors, and artificial intelligence, etc., 16 of which were led by Kuaishou. There were 51 standards that Kuaishou participated being published, 7 of which were led by Kuaishou.



Kuaishou Led and Participated in the Formulation of Standards in Various Fields



Standards Formulated and Published by Kuaishou

During the Reporting Period, Kuaishou conducted a series of standardization awareness training sessions to enhance employees' understanding and adherence to established standards, processes, and policies, ensuring consistency and efficiency in work and building a standardized working environment.

Case: Comprehensive Standardization Training to Unlock the Value of Standardization Work

In 2024, Kuaishou conducted company-wide training titled "*Supporting Business Compliance, Driving Business Development — Kuaishou's Standardization Value and Strategy Sharing*." This training aimed to elevate employees' awareness of standardization, significantly enhancing its internal influence and injecting new momentum into Kuaishou's compliance operations and business development.

Standardization Training Poster

Case: New Anti-Fraud Standards for Short Video Community Supports Industry Anti-Fraud Management

In 2024, the industry standard *Guidelines for Identifying and Warning Vulnerable Groups in Short Video Communities*, the formulation of which was led by Kuaishou, was officially published. This standard covers various business scenarios, proposing a series of refined risk identification and warning technology measures from the user's perspective. The release of this standard provides a reference for short video industry companies to strengthen Ex-ante risk identification and defense, better protecting users from fraud.

Case: Release of AI-Recommended Industry Standards to Empower Healthy Industry Development

In 2024, Kuaishou led the release of the industry standard *Technology Requirements for AI-Based Mobile Application Video Recommendation Services*. This standard focuses on solving accuracy and user experience issues in video recommendation services, integrating Kuaishou's leading technology in AI algorithms and big data processing. It not only provides excellent practical cases for the industry but also offers strong technical support for the healthy development of video recommendation services.

2.1.5 *Platform Ecological Governance*

Kuaishou places users at the core of its operations, prioritizing user experience and is dedicated to building high quality-platform ecosystem content. We continuously strengthen e-commerce operations management, focus on content governance, and refines responsible marketing strategies, aiming to create a high-quality platform ecosystem and ensure a comfortable user experience.

- *E-Commerce Compliance Management*

Kuaishou strictly adheres to laws and regulations such as the *Consumers' Rights Protection Law of the People's Republic of China*, the *E-Commerce Law of the People's Republic of China*, and the *Product Quality Law of the People's Republic of China*. Based on internal documents such as the *Kuaishou Shop Merchant Service Agreement* and the *Kuaishou Shop User Service Agreement*, we clarify the requirements for full-process management of e-commerce, ensuring the strength of e-commerce compliance management.

Whole-Process Management of Kuaishou's E-commerce and Optimization Initiatives in 2024

Management Process	Management Mechanism	Implementation Measures
E-commerce set up	• Merchant development: Provide refined, customized management based on the types of shops and businesses under the *Guidance of the Kuaishou Merchant Development Rules for E-commerce Stores*. • Qualification assessment: Facilitate the automated review process by incorporating multidimensional criteria such as subject, industry, brand, and product qualifications under the *Guidance of the Kuaishou Qualification Requirements for Enterprise of E-Commerce Stores*.	• Continuously launch "Zero-Cost Store Launch" policy: In order to help more small and medium-sized merchants start their store operations with zero barriers and low costs, based on the "Zero-Cost Store Launch" policy in 2023, Kuaishou E-commerce has continued to expand the range of product categories eligible for the initiative with a 200.0% increase in coverage of core categories. This expansion further lowers the entry barriers and operational costs for new merchants. At the same time, new merchants stationed in Kuaishou e-commerce can enjoy the benefits of zero deposit trial operation to enhance the confidence of merchants, nearly 70.0% of the merchants have benefited from Kuaishou e-commerce. • Decrease basic deposit: In order to reduce the operating cost of merchants, Kuaishou e-commerce has implemented a policy to reduce the basic deposit requirements for high-performing merchants. For individual stores, the basic deposit has been lowered from RMB500 to RMB200, representing a reduction of 60.0%. For corporate stores, the basic deposit has been decreased from RMB10,000 to RMB3,000, representing a reduction of 70.0%.

Management Process	Management Mechanism	Implementation Measures
E-Commerce marketing management	• Control and manage of fraudulent forms of marketing, false propaganda, false promises to attract traffic and other violations, and strictly control e-commerce marketing risks.	• Recycling governance Initiative: We have taken stringent measures against fraudulent marketing practices, such as "high-price buyback after purchase or promises of other high returns." Non-compliant merchants and influencers have been removed, and their transactions with users have been blocked, and illegal funds have been frozen. In 2024, we have dismantled 2 illicit groups, safeguarding the interests of tens of thousands of users from potential losses. • Hype selling governance: We have implemented controls over scripted sales performances, addressed violations through a tiered approach and refined merchant management. Additionally, we educate merchants through corrective actions, script pre-approvals, and penalty explanations to help them mitigate risks. In 2024, the reporting rate for hype selling in Kuaishou live streams decreased by 10.0% year-on-year. • False promise welfare governance: Kuaishou has implemented a tiered governance approach to address violations such as false welfare claims. In 2024, our business teams collaborated with risk control teams to combat low-price mobile phone fraud, resulting in a 45.8% month-on-month decrease in reporting rates during the period. The number of penalties issued dropped from 1,000 per month to 600 per month. Additionally, we removed 23 merchants who engaged in high-impact violations, such as diverting traffic from short videos to live streams with inconsistent welfare claims.
Merchant exit	• General exit • Merchant interception mechanism: In order to prevent affiliated subjects that have been recognized by Kuaishou as low-quality merchants from re-establishing themselves on the platform through 'changing their names', which may affect the shopping experience of consumers, we have set up a mechanism to intercept the entry of affiliated subjects of low-quality merchants.	• Clear out vicious non-performing merchants.

Kuaishou values the experience of merchants on its e-commerce platform. While ensuring compliant operations, we further provide targeted support and consulting services to help merchants optimize their operations on the Kuaishou e-commerce platform and maintain strong customer relationships.

Kuaishou merchants' empowerment initiatives

- **Merchant Reputation Score for Live Commerce:** In 2024, Kuaishou introduced a pre-sales product satisfaction rating metric to encourage hosts to select high-quality goods, thereby enhancing influencer ratings and fostering a virtuous cycle that delivers superior products to users. Additionally, Kuaishou implemented a content reporting evaluation mechanism to incentivize hosts to provide premium content.

- **Violation Rectification Assessment:** In May 2024, Kuaishou launched a Violation Rectification Assessment System designed to assist non-compliant merchants and influencers with potential for improvement. By completing rectification tasks, these merchants and influencers can reduce or mitigate penalties, thereby lowering their operational costs. Since the system's launch, Kuaishou has issued 95,000 rectification orders, covering 77,000 merchants and influencers. This has resulted in penalty reductions totaling RMB 70.26 million and generated an incremental GMV of RMB 3.7 billion.

- *Governance on product content*

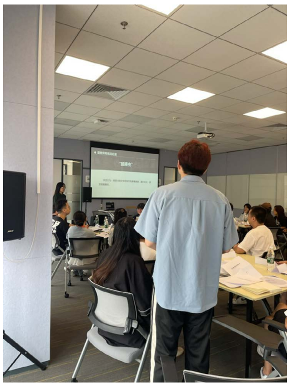
Kuaishou strictly complies with laws and regulations such as the *Cybersecurity Law of the People's Republic of China*, the *Measures on the Administration of Internet Information Services*, the *Information Security Level Management Measures*, the *Detailed Implementation Rules for Online Short Video Content Review Standards* and the *Provisions on the Administration of Internet Live-Streaming Services*. We revised internal documents such as the *Kuaishou Community Management Code*, the *Kuaishou Technology Accountability and Penalty System*, and the *Kuaishou Business Audit Emergency Plan* to further clarify content specifications and content review mechanisms, ensuring compliance with legal and regulatory requirements while maintaining a well-ordered community environment.

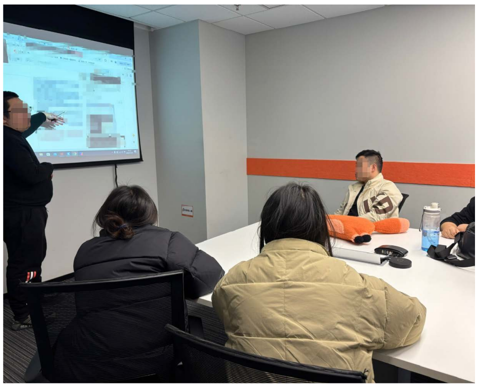
Kuaishou's Measures for Product Content Governance

Protecting the Privacy of Sources of Enquiry	• Kuaishou values and is committed to protecting the privacy and personal information of our users. We take a number of technical and security measures to ensure the safety of users' personal information in the course of their daily use of our products and services. • The "Anti-Violence at One Click" feature on the user terminal allows users to quickly choose whether or not to receive private messages or comments from strangers. • "Private Account", "Private Message/Comment Permission", "Keyword Blocking" and other functions allow users to customize the scope of information received. • In the private messaging scenario, the functions of "alert for sending" and "risk alert" are used to alert the message sender to pay attention to his/her words and actions, and remind the message receiver to take protective measures such as reporting. At the same time, the platform has set up a fast reporting and evidence collection function, which allows users to report suspected online violence, and the platform will quickly deal with the relevant online violence information and the abusive users.

Respecting Cultural Diversity	• Kuaishou has committed in the *Kuaishou Community Audit Code* to support the diversity of the platform's content during the content audit process.
Protecting Intellectual Property Rights	• In the *Kuaishou Software License and Service Agreement*, Kuaishou requires that any text, images, audio and video, live streaming, links, or other content uploaded by the users while using Kuaishou's application and services does not infringe on the intellectual property rights, right of reputation, right of name, privacy rights, or other legal rights and interests of any third-party.
Content Review and Interception Mechanisms	• Kuaishou has established a content review mechanism to actively review and intercept non-compliant content, covering the entire content scenario of videos, live streams, accounts, comments, etc., and adopting a model that combines machine review and manual review to improve review efficiency and accuracy. In addition, we have established a two-tiered review system consisting of initial and secondary reviews to ensure the completeness of the content review mechanism. • In order to dig deeper into the illegal information, Kuaishou increases in-depth tracking and research based on users' characteristics to discover potential problematic users, and focuses on monitoring and auditing their submissions. • During the content auditing process, Kuaishou platform proactively identifies users' intentions and focuses on monitoring content posted by malicious users. • Kuaishou will continue to collect media feedback on the platform's content, especially content involving ethics, morals and values. Based on the feedback, Kuaishou will promptly adjust the tagging rules for two-stage review in order to improve the fit between the content on the Kuaishou platform and mainstream values. • Kuaishou introduced large model into the process of identifying non-compliant content, effectively improving the efficiency of identifying non-compliant content. • Kuaishou has continued to promote the iterative upgrading of the malicious information database, optimize the identification and monitoring model, and actively construct a multi-dimensional risk assessment model, which has significantly improved the platform's ability to identify and intercept malicious information and illegal websites. In addition, we proactively report detected malicious information to the Ministry of Industry and Information Technology and other regulatory authorities to maintain a good online ecology.
Content Risk Management	• Establish a risk perception team to detect abnormal behavior aggregation, abnormal broadcast aggregation and other anomalies in the platform, and carry out research, classification and disposal through the flow research and judgment link. • Introduce a large model at the risk discovery level to identify and summarize users' feedback information, improving the efficiency of understanding users' feedback and helping us to quickly respond to risks of concern to users.

Kuaishou continuously provides content review-related training to employees to enhance their accuracy and proficiency in content review mechanisms. In 2024, we conducted specialized training for audit personnels, quality control personnels, and management personnels, to improve the ability of employees in various positions to identify risk content. In 2024, 6,453 employees participated in content review training, and a total of 21,760 training sessions were organized.





Employee Content Review Training Site

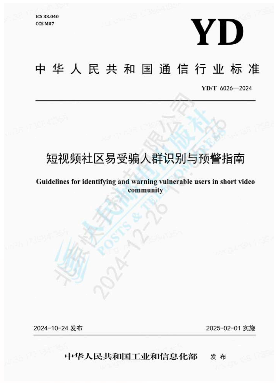
Overview of Selected Employee Content Review Training

Trainees	Training Objectives and Key Points	Course Configuration
Reviewers	Focus on security-related background knowledge to improve the professionalism of the safety industry.	12 compulsory courses, 4 elective courses, for a total of 16 courses.
Review quality inspectors	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 in the station.	1 type of business study, 4 types of public courses, a total of 5 types of professional courses.
Review management	Enhance the review management's understanding on the background of the control requirements, so that the review management has the ability to judge and deal with the risks on the spot, and review the skill coaching ability of employees.	3 plates, 9 types of learning content.
All employees (including full-time and part-time employees, new employees, dispatched labor and interns)	In response to safety risks, background knowledge and control points will be studied beforehand to enhance the precision of control over risk issues.	Safety lecture — general training course system.

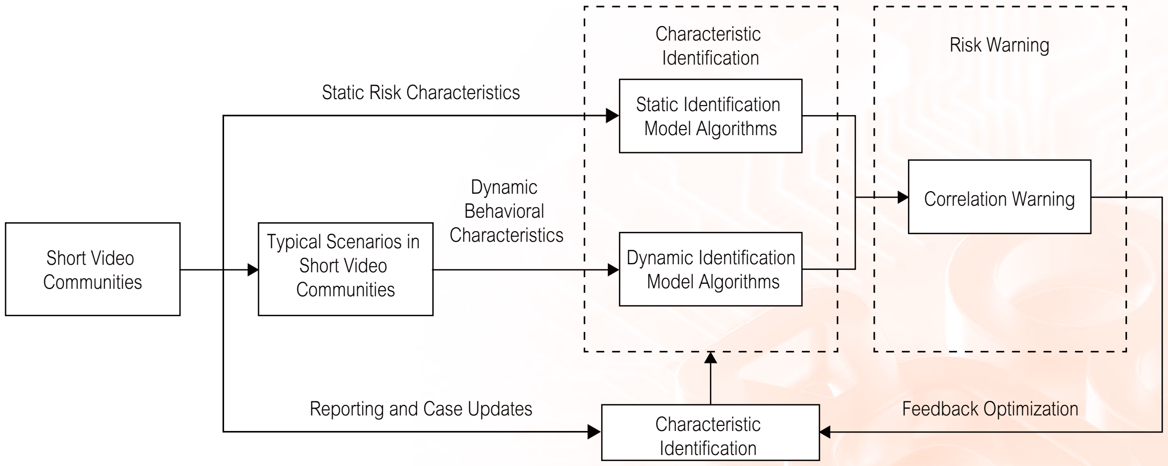
- *Anti-Fraud Governance*

Kuaishou attaches high importance to combating traffic attraction fraud, and continuously reinforces the platform's primary responsibility in strict compliance with the requirements under relevant laws and regulations, including the *Anti-Telecom and Online Fraud Law of the People's Republic of China* by leveraging the advantages of artificial intelligence and big data technologies to actively engage in anti-fraud governance practices, achieving precise combat and efficient interception of traffic attraction fraud activities. In 2024, Kuaishou's anti-fraud team developed and deployed over 120 anti-fraud risk control models, automatically identifying and intercepting 96.5% of fraudulent activities, and resulting in a continuous decline in fraud-related reports. We strengthened the identification and alert for vulnerable groups and improved the fraud-related abnormal behavior identification technologies for these groups, and provided tiered alerts to users at potential risk of being scammed through private message notifications, SMS alerts, AI outbound calls, manual outbound calls for persuasion, and reporting to the National Anti-Fraud Center, proactively reaching out to over 15,000 potential victims daily on average, sending anti-fraud alerts to around 140 million people through multiple channels and scenarios throughout the year, effectively preventing users from falling victim to scams. Additionally, Kuaishou's anti-fraud team actively collaborated with public security authorities to investigate and combat telecom and online fraud crimes, assisting local law enforcement in solving 186 fraud cases and apprehending 246 criminal suspects in 2024.

Kuaishou took the lead in formulating and publishing *YD/T 6026-2024: Guidelines for Identifying and Warning Vulnerable Groups in Short Video Communities* as a industry standard, which proposed a series of refined risk identification and warning technical measures from the user's perspective, providing practical guidance for short video platform companies to strengthen pre-emptive risk identification and defense against fraud and protect users from fraud-related harm. Moreover, Kuaishou actively participated in the development of industry standards such as *YD/T 6028–2024: Technical Requirements for Verification and Disposal of Fraud-Related Internet Accounts* and *YD/T 6029–2024: Technical Requirements for Information Sharing of Fraud-Related Telecom and Online Resources*. By leveraging its practical experience in anti-fraud governance, Kuaishou continues to empower industry-wide fraud prevention efforts.



Guidelines for Identifying and Warning Vulnerable Groups in Short Video Communities



Technical Framework for Identifying and Warning Vulnerable Groups in Short Video Communities

Leveraging the advantages of its "short video + live streaming" products, Kuaishou supports nationwide anti-fraud campaigns, continuously fostering a positive community atmosphere for nationwide anti-fraud efforts. In 2024, nearly 900,000 users posted over 1.4 million anti-fraud short videos on Kuaishou platform, with over 2.0 billion views; Additionally, there were a total of 27,000 live streams related to anti-fraud campaigns, with 410 million views. Meanwhile, the topic "Nationwide anti-fraud campaign is in action" reached 520 million views, while the "Back-to-School Anti-Fraud First Class" live-streaming series peaked at 26.642 million viewers in a single session, with a total of 50.494 million views across 9 sessions.

Case: Kuaishou's Participation in the "Society-Wide Anti-Fraud: Youth in Action" Campaign

In June 2024, Kuaishou participated in the "Society-Wide Anti-Fraud: Youth in Action" Campaign, showcasing its anti-fraud governance efforts and achievements. During the National Anti-Fraud Publicity Month, Kuaishou empowered anti-fraud campaigns with its newly developed AI large model products. Under the guidance of the National Anti-Fraud Center, Kuaishou's KLING AI generated the first-ever anti-fraud short film on the internet, *Crazy Toolman*, exposing various new fraud tactics and reminding users to avoid becoming "tools" for telecom fraud. Additionally, the question answering robot AI Xiaokuai collaborated with the National Anti-Fraud Center to engage in fun conversations with users in the comment sections of Kuaishou posts, sharing anti-fraud knowledge, attracting users to participate in interaction, and significantly enhancing the reach and depth of anti-fraud knowledge among users on the platform.

Short Film *Crazy Toolman*

Case: "No Break for Anti-Fraud While Enjoying the Winter Holiday" Anti-Fraud Public Welfare Campaign

In December 2024, Kuaishou partnered with the Kunming Anti-Fraud Center to launch the "No Break for Anti-Fraud While Enjoying the Winter Holiday" public welfare campaign in schools, conducting targeted anti-fraud education for students to raise their anti-fraud awareness before the winter holiday.

Group Photo for "No Break for Anti-Fraud While Enjoying the Winter Holiday" Campaign

- ***Responsible Marketing***

Kuaishou adheres to a responsible marketing philosophy, strictly complying with relevant 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, such as pornography, telecom fraud, illegal services, and false advertising, to ensure that advertising and marketing activities remain legal and compliant.

We continue to strengthen advertising compliance, and implement advertiser qualification verification and corporate payment mechanisms to ensure the legality and authenticity of advertisers. For advertising content compliance and ecosystem development, we employ a collaborative review approach, primarily relying on intelligent models supplemented by manual review, to ensure pre-launch review efficiency and user experience. With robust strategic controls and continuous inspection mechanisms, we effectively intercept illegal and non-compliant content during advertisement delivery, suppress low-quality information, and ensure the ongoing compliance of advertising content while enhancing user experience. Additionally, we have established a comprehensive post-event traceability mechanism, collecting and addressing feedback from regulators, merchants, and users through daily management of internal and external complaints and negative feedback. This mechanism further safeguards the healthy advertising ecosystem by monitoring and enforcing penalties for after-sales service compliance.

We place great importance on responsible e-commerce marketing and management, ensuring that sales activities comply with regulatory requirements and platform rules while fostering a positive commercial ecosystem. In 2024, Kuaishou made more than 270 revisions or additions to various platform rules, including the *Management Rules for Kwai Shop Store Services Score* and the *Endangering the Rights and Interests of Users* in the Kuaishou e-commerce rule center. These updates strengthened the review and regulation of non-compliant activities, such as false advertising and improper marketing, creating a more trustworthy shopping environment for consumers and a fair, healthy market place for merchants.

Whole-Process Management of Kuaishou's Responsible E-commerce Marketing

Pre-sales:

- Onboarding Phase: Review merchants' business qualifications, industry certifications, and brand credentials;
- Establish a risk control strategy using image and text recognition technologies to identify and intercept non-compliant merchants and commodities;
- Cooperate with service providers to implement high-quality supply chains.

During Event:

- Apply quality indicators to marketing activities and distribution depots, and guide merchants to optimize the quality of commodities and services and improve their quality standards;
- Establish strategic models to identify inferior, counterfeit goods and illegal goods;
- Keep monitoring the complaints about live-streaming content to obtain feedback from users;
- Cooperate with quality inspection authorities and arrange for mystery shoppers to carry out spot checks on products.

After-sales:

- Establish monitoring indicators and report analysis to quickly identify products with abnormal quality data;
- Penalize non-compliant products and merchants based on feedback from quality inspection agencies;
- Cooperate with brand owners and public security organizations to crack down on non-compliant merchants.

To help merchants better understand e-commerce platform rules, ensure compliance in platform marketing activities, and safeguard the legitimate rights and interests of consumers, Kuaishou conducted 5 offline rule education and training sessions for nearly 10,000 merchants in 2024. These sessions aimed to assist small and medium-sized merchants in quickly grasping platform regulations and reducing operational costs. Additionally, we consistently gather feedback and suggestions from merchants and users regarding platform rules, incorporating actionable recommendations to optimize and refine the platform rules and improve related services.

Group Photo from Offline Rule Education and Training Sessions

2.1.6 *Customer Service*

Kuaishou values customer needs and is committed to delivering a high-quality service experience. We continuously strengthen our customer service system, paying special attention to the needs of vulnerable groups such as minors, striving to meet customer expectations, and contributing to the sustainable development of the platform.

- *Customer Service System*

To further optimize service standards, Kuaishou revised a total of 77 internal process documents during the reporting period, including the *User Service Center Hotline Transfer Handling Process* and the *User Service Center Directed Hotline Handling Process*. These documents clarify our requirements for user service, aiming to enhance service quality and improve user experience. In 2024, to increase the efficiency of user feedback, we streamlined barriers encountered across various business lines in feedback, intelligent systems, and manual support. By integrating these functions along business lines, we established new project teams encompassing feedback, intelligent systems, manual support, data, product, and R&D functions. These teams aim to identify common issues, coordinate resources, reduce problem occurrence rates, and expand intelligent coverage, ensuring smoother delivery of user services.

We have optimized and upgraded various application tools, including the "Chat Workbench — Information Collection Support for Sending SMS, Optimization of Identity Verification Interruptions, and Display of Transfer Details in Chat Service Records", "Support for One-Click Reporting of Suspected Fraud by Customer Service" and "Adaptive Screen for Chat Workbench," to further improve user feedback efficiency. In 2024, Kuaishou launched a service progress display feature, allowing users to track the handling progress of their reported issues within the Kuaishou App. This transparency of service reduces the number of user inquiries and the workload of repeated customer service receptions, thereby enhancing overall service efficiency and improving user experience.

Kuaishou continues to explore constructive user solutions, committed to enhancing service quality. We have established dispute resolution centers in multiple locations across the country and expanded complaint reception channels to address the needs of visiting users from various regions, providing a comprehensive user complaint acceptance and feedback pathway under the internet model. In 2024, Kuaishou's complaint handling efficiency has increased by 17.0% year-on-year, maintaining a strong upward trend in complaint resolution quality.

To optimize user experience, Kuaishou has undertaken a comprehensive deployment and systematic review to identify user characteristics, providing tailored service solutions. This includes targeted adaptations for the elderly and accessibility improvements, enhancing the dedicated service line for minors, and embodying the philosophy of "a thousand faces, a thousand solutions." Furthermore, Kushiou has established a "Sentinel" monitoring system to continuously and dynamically detect industry issues affecting user experience, actively providing feedback on key usage experience problems to prevent governance blind spots. This year, the system has addressed and improved 234 experience-related issues. Additionally, we have consistently updated the internal sharing mechanism for user feedback[33]. In 2024, we organized a company-wide event to listen to user feedback every other month, collecting 338 valid suggestions. Based on user feedback and the reasons for user inquiries, we have provided 1,746 feedback items to various departments, with an adoption rate of over 90.0%.

Kuaishou places customer satisfaction at the forefront, conducting annual customer satisfaction surveys and meticulously reviewing the results to genuinely enhance service quality. In 2024, we gathered feedback from over 350,000 users, achieving an 86.0% annual comprehensive satisfaction rate across all channels and a 97.2% satisfaction rate with human customer service by phone. Moreover, we continuously focus on user feedback and follow-up mechanisms, paying special attention to issues involving minors and reducing the feedback response time from 24 hours to 12 hours.

Kuaishou offers a variety of training programs for new hires, current employees, and management to enhance their capabilities and qualities in customer service.

Kuaishou's User Service Training System

Training Category	Trainees	Training Frequency	Average Training Duration	Content
New employee orientation	New employees	9 times per month	13 days in-person training	• Comprehensive optimization of training content. In addition to regular courses on customer service awareness and communication skills, tailored business knowledge training is provided to new employees based on the needs of various business departments. • A combination of theoretical learning and practical simulation is adopted to help new employees quickly master business knowledge.

[33] Records generated by the user's contact with Kuaishou's official customer service for consultation, complaints or other requests, including but not limited to telephone recordings, text interactions, picture materials, etc.

Training Category	Trainees	Training Frequency	Average Training Duration	Content
Business improvement training	Existing employees (including full-time and part-time employees, new employees, dispatched labor and interns)	10–20 times per month	0.5 hours per day on average	• We train employees to update their knowledge training, focusing on new developments related to our overall business, systems, and processes. • Provide specialized training to address consumer concerns and new issues during the 618 promotional period. • Offer preemptive training for the annual Spring Festival activities, followed by employee assessments to ensure they can promptly address user inquiries related to the event.
Management promotion training	Employees with high potential/ frontline manager	16 hours per month	2 hours per week on average	• Identify training needs for various business lines through employee interviews. • Develop a targeted training system aligned with managerial expectations, covering core competencies such as business knowledge and problem-solving skills. • Invite industry experts and outstanding managers from different business lines to serve as instructors, delivering practical and business-aligned course content. By combining theory with practice, this approach maximizes the management and coaching capabilities of key roles within the service team.

- *Minor Protection*

Kuaishou has always placed great emphasis on safeguarding the rights and interests of minors, strictly adhering to relevant laws and regulations such as the *Law of the People's Republic of China* on the Protection of Minors, and continuously strengthening regulatory measures. In 2024, Kuaishou released the *Transparency Report on the Protection of Minors*, outlining the platform's initiatives, explorations, and progress in protecting minors' rights and interests, contributing to the creation of a healthier online environment for minors.

Kuaishou prioritizes the privacy protection of minors and has established a dual safeguard mechanism on its platform. At the human management level, we have appointed privacy protection specialists responsible for overseeing and enforcing privacy protection policies. At the technical level, we have introduced a privacy protection mode for minors and set up 8 major privacy protection switches, including restricting the function of private messages for minors, restricting strangers from following minors, hiding the geographical locations of minors, disabling "find contact" and "contact recommendation" functions for minors, disabling minors' usage status display, disabling the function of "circle of acquaintances" for minors, and allowing users to only follow an account unidirectionally by clicking on a video avatar or nickname. These measures are dedicated to providing minors with a safe and trustworthy online environment.

Kuaishou continues to enhance its minor protection mode, actively responding to the *Guidelines for the Development of a Youth Mode in Mobile Internet* by promoting the application of the Youth Mode. The platform has launched an optimized real-name authentication system for minors and strengthened its minor protection mechanisms, aiming to create a safe, positive, healthy, and beneficial online environment for minors.

Kuaishou has implemented a series of measures to prevent minors from becoming addicted to the platform. These include pop-up reminders for guardians to activate the Youth Mode when launching the app in some cases, restrictions on live streaming, browsing local pages, and gifting within the Youth Mode, and requiring users to enter an independent password when enabling or disabling the Youth Mode. Additionally, the platform enforces a mandatory log-off prompt after 40 minutes of daily usage for minors and imposes usage restrictions between 10:00 PM and 6:00 AM to ensure minors have adequate rest time and prevent excessive use.

Highlights of the Youth Mode Update

Advancing the Upgrade of Youth Mode	• We are continuously optimizing the Youth Mode and further enhancing the protection of minors' personal information. When the Kuaishou App is launched for the first time each day, a mandatory pop-up for the "Youth Mode" is displayed. • In response to the *Guidelines for the Development of Youth Mode in Mobile Internet*, Kuaishou has reached a consensus with multiple device manufacturers. Through necessary interfaces and data sharing, we are collaboratively advancing the upgrade of the Youth Mode.
Optimizing Real-Name Authentication for Minors	• For minors under the age of 14, real-name authentication requires notifying their guardians and obtaining explicit consent to protect their privacy and security.

Kuaishou continues to strengthen its efforts in safeguarding minors by optimizing the "Kuaishou Seedling Protection Action Plan" and launching the "Green Growth: e-Guardian for Minors" campaign. Through diverse activities and formats, we aim to enhance minors' awareness of online safety.

Case: "Green Growth: E-Guardian for Minors" Campaign

Kuaishou meticulously organized and executed the "Green Growth: e-Guardian for Minors" campaign, incorporating online live-streaming sessions, offline salon events, themed short videos, the participation in the compilation of specialized books, themed posters, and the release of big data reports. These diverse content formats provided comprehensive safety education for minors, supporting their healthy development.

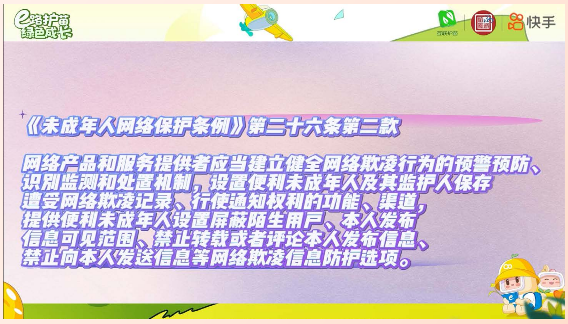
- **Online Live-Streaming Series:**

  Kuaishou launched the *Perfect Parents* expert live-streaming series, hosting a total of 5 online sessions. The event featured participation from institutions such as the Beijing High People's Court, the Communist Youth League Beijing Committee, and the Beijing Women's Federation. Judges, psychologists, education experts, and high-quality educational content creators engaged in interactive discussions. The series garnered over 10 million views, significantly raising awareness and understanding among parents and minors regarding online safety issues.

***Perfect Parents* Live-Streaming**

- **Offline Salon Event:**

  Kuaishou hosted a salon event titled *"Implementing Multi-Stakeholder Collaboration to Enhance Minors' Digital Literacy"* at the Beijing Internet Court, focusing on the theme of "Minors' Digital Literacy." The event brought together think tank scholars, judges from the Beijing Internet Court, and representatives from Kuaishou Technology to discuss the provisions on promoting minors' digital literacy in the *Regulations on the Protection of Minors in Cyberspace*. The event highlighted the active roles played by various stakeholders in protecting minors online. Additionally, the highlights of the salon were edited into a video and broadcast on Kuaishou's Positive Energy account, with simultaneous livestreaming on Xinhua News Agency's Kuaishou channel. The event garnered over 1.45 million views, sparking widespread attention and discussion across society on the importance of minors' digital literacy education. This initiative has played a positive role in advancing the enhancement of minors' digital literacy.



Content of Part of Offline Salon Event

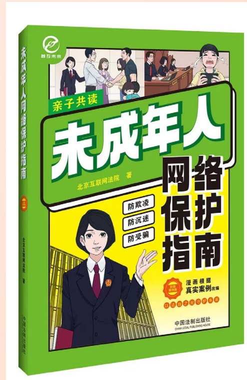
- **Themed Short Drama:**

  Kuaishou collaborated with the Capital Cyber Police to produce a themed short drama titled *"Little Detective Li Doudou."* Through engaging storytelling, the drama illustrates how minors can use the internet in a healthy and scientific manner while protecting their rights. It conveys the principles of safe and civilized internet use, popularizes knowledge on preventing online fraud, and helps minors strengthen their self-protection awareness.

Poster for Short Drama *Little Detective Li Doudou*

- **Participation in the Compilation of the *Guide to Online Protection for Minors*:**

  Kuaishou participated in the compilation of the *Guide to Online Protection for Minors* published by the Beijing Internet Court, which transforms typical cases of minors' protection into illustrated stories. Combined with examples of correct and scientific educational methods, the book helps parents and minors easily understand relevant knowledge about minors' protection.



Guide to Online Protection for Minors

- **Public Release of *the 2024 Kuaishou Minor Protection Report*:**

  Under the guidance of the Cyberspace Administration of Beijing Municipal Committee, Kuaishou, in collaboration with Future Network, released *the 2024 Kuaishou Minor Protection Report*. The report outlines Kuaishou's governance mechanisms and initiatives in protecting minors, contributing to a safer and healthier online environment for minors.

2024 Kuaishou Minor Protection Report

To effectively address the inappropriate use of apps by minors, Kuaishou's Youth Mode strictly filters content that poses risks to minors and continuously expands the coverage of content review rules related to minors. Since the launch of a dedicated reporting channel for minor-related issues in 2021, Kuaishou has consistently built a specialized customer service team for minors, optimized the standards and processes for handling minor-related violations, and improved the efficiency and timeliness of responses. Furthermore, Kuaishou has rigorously addressed key issues affecting minors. During the "Clear and Bright·2024 Summer Minor Online Environment Cleanup" campaign, Kuaishou comprehensively tackled online violations harmful to minors, such as inappropriate marketing and harmful values, imposing strict and severe penalties on accounts involved in minor-related violations.

Case: "Clear and Bright·2024 Summer Minor Online Environment Cleanup" Campaign

During the summer of 2024, Kuaishou launched a series of campaigns to promote minors' digital literacy. In collaboration with the Beijing People's Procuratorate, the Beijing High People's Court, the Beijing Internet Court, the Capital Cyber Police, the Haidian District People's Procuratorate, and the Haidian District People's Court, Kuaishou produced 8 videos titled *"Youth Digital Literacy Open Classes."* These videos were co-published by Kuaishou's Positive Energy account and official government accounts, garnering over 1 million views. Additionally, Kuaishou created an animated video titled *"I Guard the Clear and Bright Summer,"* which comprehensively promoted Kuaishou's Youth Mode. The platform also hosted live-streaming sessions to explain rules and regulations related to minors, attracting more than 650,000 views. Furthermore, Kuaishou partnered with the Beijing Internet Court to produce a themed live-streaming event titled "A Guide to Online Protection for Minors," featuring on-site filming, appearances by juvenile court judges, and the publication of a comic book. Kuaishou also launched the topic "I Guard the Clear and Bright Summer," which amassed over 100 million views.

Live-Streaming Event: *I Guard the Clear and Bright Summer*

Kuaishou is committed to addressing the mental health of its minor users. In May 2024, the platform introduced the "Planting the Sun Initiative," leveraging AI technology to identify content indicating suicidal risks among users. Through phone counseling and coordinated interventions with law enforcement nationwide, Kuaishou has safeguarded the lives of minors. Moreover, leveraging its content strengths, Kuaishou collaborated with influential media outlets such as Health Times and Jimu News to host 3 live-streaming sessions on mental health education, reaching 4,598,000 viewers. Related educational short videos garnered 8 million views.

We actively participate in the standardization of minor protection efforts. The platform contributed to the *Cybersecurity Standards Practice Guide — Technical Requirements for Youth Mode in Mobile Internet*, released by the National Technical Committee 260 on Cybersecurity of Standardization Administration of China, and proactively implemented upgrades to the Youth Mode, sharing its best practices. In 2024, Kuaishou led or participated in the development of over 10 standards related to Youth Mode construction and the protection of minors' personal information. These include the China Communications Standards Association's industry standard *Technical Requirements for Informing and Obtaining Consent in the Processing of Children's Personal Information by Mobile Internet Applications (Apps)*, which Kuaishou co-led, and the *T/TAF 238.1–2024 Requirements for Online Protection of Minors' Personal Information — Part 1: Identity Verification* by the Telecommunications Terminal Industry Association. These efforts underscore our commitment to fostering a healthy online ecosystem for minors.

2.2 Employees' Development

Kuaishou is steadfast in safeguarding equal rights for its employees and fostering a fair and just workplace environment. We have established a diversified training system to facilitate employee growth and broaden career development paths. The Company prioritizes employee health and safety, creating a secure and comfortable workspace environment, thereby promoting synergistic development between employees and the Company.

2.2.1 Rights and Interests of Employees

Kuaishou adheres to the principles of fair and diverse employment, actively attracting a wide range of talents and developing a scientific and reasonable compensation and benefits system to protect the fundamental rights and interests of employees. We have set up smooth communication channels to listen to employee needs, offering respect and care, and jointly building a harmonious and equal workplace relationship.

- *Recruitment and Diversity*

  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 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. In 2024, we updated 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.

  Kuaishou resolutely opposes and resists all forms of discrimination and harassment, ensuring fair treatment for employees regardless of race, ethnicity, nationality, religion, origin, gender, age, or health status. Our *Health Occupational Site Regulation System*[34] explicitly outlines policies 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. 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. In accordance with the *Provisions on the Prohibition of Child Labor* and relevant conventions of the International Labor Organization (ILO), our Group strictly prohibits the employment of child and forced labor. In 2024, there were no reported incidents of child or forced labor violations, and social insurance coverage for full-time employees reached 100%.

34 This system applies to all employees of Kuaishou Technology and its affiliated companies, as well as regional branches (including subsidiaries, offices, representative offices, etc.), and extends to third-party personnel providing services (including but not limited to suppliers, part-time employees, outsourcing personnel, interns, etc.).

Kuaishou adheres to the principles of "fairness, openness, and competition," and adopts a talent strategy of "Precise Selection and Strong Branding" to establish robust talent acquisition channels. We ensure a seamless application process for candidates and encourage employee participation in internal referrals by enhancing campus ecosystem development, building an employer media matrix, and leveraging third-party online channels. Kuaishou also attracts top-tier technical talent through initiatives such as graduate student forums, university-enterprise collaborations, exclusive KOL technical sharing, and college social practice programs, continuously strengthening technical influence and identifying and nurturing elite technical professionals. Additionally, Kuaishou has established university-enterprise partnerships with prestigious institutions such as Tsinghua University and Peking University, organizing hundreds of collaborative activities to develop a globally recognized technical talent brand. Furthermore, in 2024, we made significant breakthroughs in exploring innovative employment models, extending multiple operations of Kuaishou to second-and third-tier cities through urban outreach and university-enterprise collaborations. This initiative effectively addresses employment challenges for a greater number of young professionals.

Kuaishou actively cultivates a youth-friendly employer brand, continuously broadening recruitment channels and refreshing brand core values. By integrating industry trends, Kuaishou conducts live-streamed recruitment events and has independently developed a recruitment system centered on building a scientific, efficient, and intelligent talent selection framework. This system enhances the vibrancy of both internal and external talent markets, deeply explores market talent dynamics, and delivers a professional and high-quality recruitment experience. During the reporting period, Kuaishou introduced Radish Interview, an AI-powered interview tool that integrates AI-driven scientific rigor into the recruitment process, significantly improving both talent acquisition quality and recruitment efficiency.

In 2024, due to active efforts in employer image, organization of talent management, and campus branding, Kuaishou received widespread external recognition. The Company was honored with titles such as "Global Talent Magnet Employer" by various human resources organizations, including LinkedIn. It also received gratitude and recognition from multiple universities, including Tsinghua University, Xi'an Jiaotong University, and Renmin University of China.

Kuaishou's Awards in Human Resources in 2024

Hosts/Organizers	Awards/Recognition
LinkedIn	Global Talent Magnet Employer
Maimai	Worthy Employer of the Year
Liepin	National Extraordinary Employer
Niuke	2024 Most Loved Employer by College Students
Hedgehog	Hot List of Youth-friendly Employer
OfferShow	2024 Star Employer
Intern Monk	Favorite Employer of 2024
Haitouwang	2025 Most Influential Employer

Kuaishou has consistently adhered to the principle of equal employment in talent management, placing a high priority on the fair treatment of female employees. As part of its diversity objectives, the Company aims to foster for a more equitable and inclusive employment environment for women. In 2024, Kuaishou conducted DEI (Diversity, Equity and Inclusion) themed training for all employees, actively advocating a diverse and inclusive workplace culture. Diversified measures to support women have been implemented across various stages, including recruitment and employment, training and promotion, physical and mental health, care and welfare, workplace environment, communication channels and cultural values maintenance. Kuaishou continues to increase the proportion of women at all levels of the workforce. In 2024, the Company's board of directors included 1 female independent non-executive director, accounting for one-ninth of the board's total composition.

Kuaishou's Diversity, Equity, and Inclusion Initiatives

Recruitment and Employment	Kuaishou is committed to ensuring equal opportunities for female candidates throughout the recruitment and employment process. In 2024, female staff accounted for 41.3% of Kuaishou's new hires. As of December 31, 2024, Kuaishou had 10,875 full-time female employees, representing 44.0% of all full-time employees.
Training and Promotion	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 2024, female trainers accounted for 34.4% of all trainers at Kuaishou. During the promotion evaluation process, gender bias is minimized to ensure fairness and equity. In 2024, women represented 31.6% of managerial roles, 34.3% of senior-level managers (an increase of 5.2 percentage points from the previous year), and 34.8% of newly promoted managers.
Physical and Mental Health	Kuaishou provides professional fitness facilities and complimentary psychological counseling for employees. These initiatives are designed to support female employees in achieving their career goals while prioritizing their physical and mental health. By fostering a healthier and more positive mindset, we aim to empower them to effectively navigate the various challenges they encounter in both their professional and personal lives.
Support and Welfare	Kuaishou provides comprehensive support and welfare for employees, with a special focus on female employees' well-being. The Company has established nursing rooms for working mothers. In addition to statutory requirements, we grant extra maternity bonuses and supplemental medical maternity coverage to female employees who give birth. Annual health check-ups are also provided. On Women's Day, we thoughtfully prepare celebratory gifts for every female employee, demonstrating our care and support for them.
Workplace Environment and Communication Channels	Kuaishou is committed to fostering an equal, inclusive, and healthy workplace environment, ensuring gender equality 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 eliminate communication barriers.

Upholding Cultural Values	Kuaishou strongly upholds the values of diversity, equity, and inclusion, firmly opposing discrimination based on race, ethnicity, nationality, religion, gender, gender identity, sexual orientation, and disabilities. Any form of unequal treatment, discrimination, harassment, insult, defamation, dishonesty, or inaction as a violation of professional ethics and our Company's cultural values. The Company provides secure reporting channels and ensures strict confidentiality for whistleblowers.

As of December 31, 2024, Kuaishou employed full-time employees from 11 countries and 32 ethnic groups, with nearly 7.5% from China's ethnic minority groups. Kuaishou's content review center in Xiangxi, Hunan Province employed 373 people of ethnic minority backgrounds. The center has promoted workplace diversity while contributing to the local economy by providing employment opportunities.

- *Compensation and Welfare*

Kuaishou is committed to establishing a fair, comprehensive, and market-competitive compensation and welfare system for its employees. We have formulated various policies and regulations, including the *Kuaishou Employees Handbook*, the *Vocational Holiday Management System*, and the *Kuaishou Rent Subsidy Management Policy*. These measures not only fully safeguard employees' statutory rights and interests but also enhance the employee benefits framework through diversified supplementary benefits, providing essential support and convenience for employees' daily work and life. Additionally, we offer competitive compensation levels through diverse incentive tools and scenarios to reward employees for their performance. Notably, we have implemented an equity incentive plan for employees. As of December 31, 2024, approximately 30% to 40% of Kuaishou's employees were entitled to equity incentives.

Kuaishou's Employee Compensation System and Incentive Mechanism

Kuaishou Talent Development Concept	
Employee Compensation System	We offer market-competitive compensation and welfare tailored to different roles, conduct annual reviews, and grant appropriate salary increases to outstanding employees.
Employee Incentive Mechanism	Short-term incentives: We offer the annual performance bonus, and provide various short-term cash incentives based on the operating results of each business; Long-term incentives: Employees in key positions and outstanding performers are granted equity as an incentive and recognition.

In 2024, Kuaishou further enhanced its employee welfare system, refining welfare offerings across 4 core modules: protection mechanism, physical and mental health, life quality, and personal growth, to provide continuous care and support for employees.

Kuaishou's Employee Welfare System

Kuaishou Insurance	Provide fixed indemnity insurance, accident insurance and serious illness insurance for employees, supplementary medical insurance for employees and their children, and maternity reimbursement for female employees; 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.
Kuaishou Health	Care for employees' overall physical and mental health, and provide employees with annual physical examinations, psychological support, health cabin, access to exclusive doctors, massage services, routine health checkups, health promotion activities, monthly health journals, health lectures, fitness rooms, etc.; Care for the families of employees by providing annual physical examinations, discussion of examination results, and online consultations with exclusive doctors for employees' parents (including their spouses' parents).
Kuaishou Life	Provide employees with the convenience and comfort they need, including dining, transportation, housing, lifestyle, services and holidays: • Dining: Staff cafeteria, online food ordering, pantry and convenience store; • Housing: Housing allowance and public rental housing ballot; • Lifestyle: Corporate car-hailing services, commuting bus and parking-space ballot; • Services: Hair salon, baby care room and laundry services; • Holidays: Welfare annual leave, Spring Festival leave, statutory annual leave, childcare leave, family leave for employees to care for parents in need, marriage and compassionate leave, maternity leave and fully-paid sick leave; • Gifts: Maternity gifts, wedding gifts, etc.
Kuaishou Growth	Provide learning and growth platforms for employees, which combines online and offline resources to meet their learning needs.

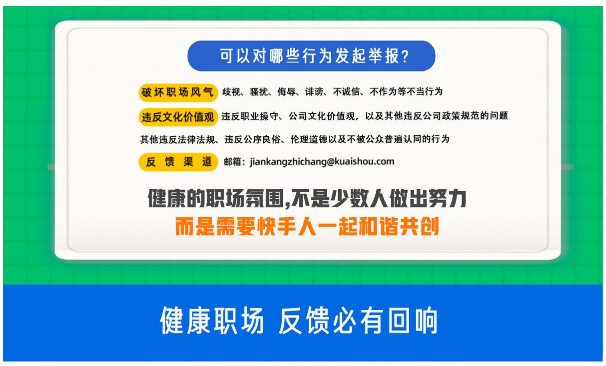
- *Employee Communication*

Kuaishou values employee engagement and ensures that every voice is heard. The Company places strong emphasis on understanding employees' perspectives and actively develops diversified communication channels to facilitate timely feedback and implementation of employee suggestions. We respect and safeguard employees' rights to freely associate and fully support the work of labor unions. We have established various employee communication platforms to foster a more harmonious, fair and open work environment.

The labor union of Kuaishou Group in Beijing focuses on serving employees by addressing the diverse needs of internet industry professionals through innovative service channels and optimized processes. We have developed over 10 institutional documents, including the *Kuaishou Employees Handbook*, to provide robust institutional support for employee rights and benefits, guiding employees to express their needs effectively. In 2024, the labor union continued to collaborate with multiple departments to build a long-term, gradient assistance mechanism, establish a comprehensive four-party collaborative work system, and create a service framework that covers all areas with distinctive features, continuously enhancing service capabilities.

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. Additionally, employees can engage in direct dialogues with management through tea gatherings, departmental meetings, and internal forums, allowing them to promptly voice reasonable opinions and suggestions. When employees perceive unfair practices or encounter contentious issues, they are encouraged to report these matters truthfully to the higher supervisory authority and the human resources department. We commit to conducting thorough investigations and addressing all complaints, reports, and information received with the highest level of seriousness.

In 2024, Kuaishou 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 good morals. We strictly protect the information of those who provide feedback.



Kuaishou's "Healthy Workplace" Channel

Highlights of Kuaishou's Employee Communication Mechanisms in 2024

HR Consultation	We have integrated and upgraded the existing HR consultation channels, consolidating all human resources-related inquiries into the "HR Consultation" channel. By leveraging AI capabilities in employee support services, the self-service resolution rate has increased by 7.0%, and the eNPS[35] for "HR Consultation" has risen by 3.1%.
On-site Services	We have established standardized shared service centers to provide offline support for employees. These centers feature unified signage, service hours, and service standards, ensuring a consistent experience for employees across all workplaces.
Q&A Mechanism	We encourage employees to actively participate in the development and discussions regarding the Company. All employee inquiries are addressed promptly and effectively. Compared to 2023, the response rate has improved by 41.6%, and the average response time has been reduced by 35.6 hours.

35 eNPS refers to Employee Net Promoter Score.

Kuaishou places great emphasis on employee experience and sentiment, conducting organizational capability surveys at least once a year. We have developed our own survey tools internally, designing the survey questions and platform to focus on the core issues the organization currently faces. By utilizing anonymous questionnaires, we collect genuine feedback from employees while strictly safeguarding their personal information. As of 2024, the response rate for the annual survey has reached approximately 90.0%. By disclosing partial survey results and implementing corresponding management improvements, employee satisfaction and engagement have increased in 2024, and clear directions for continuous improvement have been identified.

Kuaishou also conducts an HR employee service survey annually, which serves as an authentic reflection of employee satisfaction. We analyze changes in the data to enhance our ability to address employee concerns. As of December 2024, the annual comprehensive average value of eNPS in the HR employee service survey has increased by 1.1% compared to 2023. Among these, the highest improvement was seen in the category of personnel files/collective household registration services, with a notable increase of 7.5%.

Kuaishou adheres to a people-oriented philosophy, organizing a variety of cultural, sports, and holiday activities for employees to enrich their leisure time and foster a relaxing and enjoyable work atmosphere.

Case: Diverse Employee Activities Organized by Kuaishou in 2024

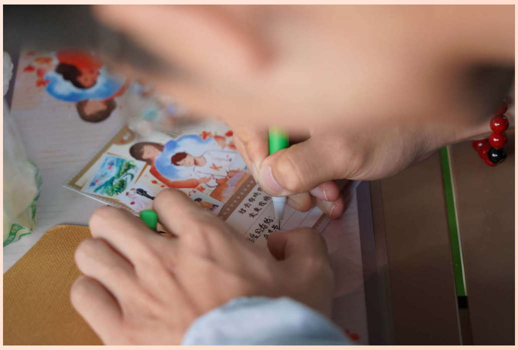
- Kuaishou Book Month

  In April 2024, coinciding with World Book Day, we launched a series of activities including recommending books, browsing books, sharing books, listening to books and analyzing books. These activities engaged over 1,000 employees with quality literature, enhancing their knowledge and cultural literacy. The events fostered a strong learning atmosphere within the Company and promoted knowledge exchange and sharing among employees.

Kuaishou Book Month Event

- Mother's Day Special Event

  In May 2024, ahead of Mother's Day, Kuaishou organized a special event for employees, providing them with an opportunity to express gratitude and love. The event helped strengthen the emotional bonds between employees and their families.



Employees Writing Blessings for Their Mothers at the Event

- Company Anniversary Tug-of-War Championship

  In June 2024, as part of its 13th anniversary celebrations, Kuaishou hosted the "Kuaishou Tug-of-War Competition," with approximately 220 employees participating in teams. The event effectively enhanced team cohesion, collaboration, and overall physical and mental well-being among employees.

CHENG Yixiao, Chairman and CEO of Kuaishou, Awarding the Championship Team

2.2.2 *Employee Training and Development*

Kuaishou is committed to helping employees realize their personal value by meticulously building a diversified training system covering professional skills, management knowledge, and more. We have established clear career development pathways, providing employees with fair promotion opportunities and fostering mutual growth.

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 further support employee growth, Kuaishou has established a comprehensive employee training system. Horizontally, it comprises training media including "Kuai LEARNING (online learning platform), Kuai TEACH (instructor team, massive course database, relevant systems and SOP), Kuai MENTOR (coaching)," etc. Vertically, it consists of training brands including "Kuai LEAD (leadership), Kuai TECH (professional skills), Kuai TALK (openness), Kuai UP (general skills), Kuai START (new employees)," etc. This system provides targeted training support tailored to employees at different stages of their careers.

Kuaishou's Training System

Training Category	Content
Leadership Training	• Establish a comprehensive learning and development framework that integrates company-wide unified training programs with customized leadership initiatives tailored to specific business lines. This approach fosters the parallel development of individual and team leadership capabilities, balancing long-term leadership growth with short-term problem-solving. It also seamlessly blends online and offline learning methodologies to create a holistic development experience. • Provide comprehensive development programs for various leadership levels, including technical leaders, frontline managers, directors, and general managers. These programs feature online learning camps and hands-on projects integrated directly into business teams, enabling managers to identify and address management challenges effectively. • Launch the "New Wings Initiative" in alignment with the leadership appointment mechanisms, which focuses on enhancing the competencies and qualifications of managers from the very beginning, ensuring they are fully qualified to meet the demands of their roles. • Initiate over 10 medium-and long-term leadership development initiatives within each department tailored to its specific operational needs in addition to corporate-level programs, including: 1) Focus on core talents and high-potential employees to enhance the capabilities of the talent pipeline and address the staffing demands of business units; 2) Concentrate on core managers at all levels within business units to elevate the overall leadership bench strength; 3) Address common management challenges to improve the execution of management practices across business units.
Professional Talent Training	• Identify and cultivate high-potential young professionals in technical fields, product operations, and other specialized areas. Through a combination of on-the-job practice, mentoring, and professional coursework, we accelerate their growth and development. • Deepen expertise in 7 technical domains, continuously enhance the depth and breadth of technical professionals' expertise. Additionally, we empower technical managers to adapt to diverse technical management scenarios, strengthening their capabilities in technical planning and precise decision-making. By recruiting top external talent, fostering extensive external collaborations, and engaging in in-depth exchanges with industrial and academic authorities, we help technical professionals broaden their perspectives and stay at the forefront of industry trends. • Enhance professional expertise in product, operations, analytics, and sales roles, enabling them to solve real-world challenges and improve operational efficiency. By bringing in industry experts and facilitating external collaborations, we equip product and operations talent with broader industry insights and innovative thinking.

Training Category	Content
New Employee Training	• Build "3+1" campus recruitment training system, designed to help campus recruits quickly familiarize themselves with business operations, enhance their professional skills, and accelerate their growth and development: 1) At the 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 and enhance user interaction; Additionally, general competency courses are offered to facilitate a smooth transition into the workplace; 2) At the channel level, a business overview is provided from the professional channel perspective to help new employees build a strong professional foundation, emphasizing practical experience and hands-on learning; 3) At the department level, a phased, modular, and long-term training approach is adopted, focusing on project-based learning to enable rapid growth for new employees. • Institutional support: We proactively identify and address the growth challenges and concerns of campus recruits, as well as the pain points of mentors, by developing and continuously updating guidance documents such as the *Campus-recruited Employees Growth Handbook* and the *Mentor Coaching Guide*. • Robust mentorship team: Each campus-recruited employee is paired with a dedicated mentor for one-on-one coaching, providing guidance and support throughout their journey. A variety of mentor-mentee activities are organized to strengthen connections, while also enhancing mentors' coaching motivation and capabilities.

Case: Kuaishou's "New Wings Initiative" Leadership Training Program

In 2024, Kuaishou launched the innovative "New Wings Initiative," designed to equip potential managers with a clear understanding of their roles, responsibilities, and the specific requirements of their positions within Kuaishou. This initiative prepares them both mentally and skillfully for managerial duties. In terms of the performance management, they can learn essential management actions to lead their teams effectively, set goals, monitor progress, and achieve results; and in terms of the team management, they can develop the ability to coach team members promptly and foster a positive team environment. Throughout 2024, we conducted 8 sessions of the "New Wings Initiative," involving over 250 trainees. Through Kuaishou's customized case study workshops, we enhanced the role recognition and core management skills of these potential managers.

Case: Kuaishou Organizes Business Competitions and Knowledge-Sharing Activities for Professionals

In 2024, Kuaishou launched over 10 business-themed competitions covering diverse topics for all employees, attracting active participation from thousands of staff members. These competitions not only ignited employees' innovative spirit but also provided them with a platform to showcase their talents, garnering widespread attention and praise. Through these events, a wealth of outstanding technical expertise, operational strategies, and innovative ideas were accumulated. Additionally, we organized technical sharing sessions and invited both internal and external industry experts to deliver insights, further enhancing employees' professional capabilities.

The 6th Dark Horse · Kuaishou Product Technology Innovation Competition

Technical Team Sharing Session

Kuaishou has simultaneously enhanced its online and offline training capabilities by establishing "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, 2024, Kuaishou Middle School has provided a total of 4,275 courses.

In terms of external training, Kuaishou actively integrates external resources and establishes industry-academia exchange platforms to comprehensively enhance employees' overall competencies. During the reporting period, we collaborated with external technology vertical communities, relevant publishers, and internet media channels to organize 22 events featuring industry experts from the internet sector and cross-industry professionals. These events attracted a total of 25,000 participants, significantly enhancing the professional expertise and industry perspectives of our production and research staff.

Kuaishou attaches great importance to the professional growth and skill enhancement of its employees, actively encouraging and supporting them to obtain business-related qualification certifications. The Company arranges professional training programs for certifications such as the Data Security Engineer and PIA[36] Personal Information Protection, helping employees acquire certifications, enhance team professionalism, and foster a learning-oriented organization.

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. For business personnel, we primarily adopt quantitative target-based assessments, while non-business personnel are evaluated using OKR[37] method. Performance evaluation results are jointly calibrated by employees' direct supervisors and their supervisors' superiors. Additionally, we publicly disclose the list of employees who achieve the top two performance ratings, fostering a fair and transparent performance evaluation culture and effectively ensuring alignment between organizational and individual goals. Furthermore, Kuaishou also advocates for performance discussions to facilitate employees' professional growth. By incorporating peer reviews and developmental advice from supervisors, we guide employees in planning their next steps for professional advancement.

Guided by the principle of "empowering top talent to take on challenges," Kuaishou encourages outstanding individuals to gain experience through project engagements. In 2024, we strengthened the role of our annual talent review process in identifying high-potential employees and preparing them for impactful roles. We enhanced our internal development system, ensuring that high-potential talents are identified and provided with clear next steps, thereby increasing the certainty of their deployment to critical projects and deepening our talent pool. Additionally, we emphasized post-review accountability to ensure effective follow-through on management responsibilities.

Building upon previous efforts to refine its job level advancement system, Kuaishou further clarified its commitment to fostering the rapid growth of top performing employees in 2024. We 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 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 its job level advancement system, boosting the motivation of high-performing employees.

36 PIA refers to the Personal Information Protection Impact Assessment.

37 OKRs refer to Objectives and Key Results.

2.2.3 Health and Safety of 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*, prioritizing employee health and safety while striving to create a secure and comfortable working environment. We provide ergonomic office furniture, fitness location, fitness facilities and fitness programs to support employees' physical well-being. Additionally, we conduct comprehensive health risk inspections and corrective actions, organizing nationwide workplace safety checks to eliminate potential hazards and ensure a safe and healthy work environment. In 2024, we established a national workplace response mechanism for extreme weather events, combining 24/7 real-time monitoring with future weather predictions. When severe weather occurs, we swiftly follow government-issued guidelines for enterprises and institutions to ensure the safety of our employees under such circumstances.

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 with abnormal health indicators, Kuaishou offers priority medical consultation channels and comprehensive support throughout the diagnosis and treatment process.

Major Measures for Kuaishou's Care for Severely Ill Employees

Medical Insurance Guarantee	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.
Medical Resource Coordination	Based on the situation of seriously ill employees, health management resources would be contacted to provide registration, hospitalization and transfer resources coordination for employees.
In-Hospital Visit and Care	The Company's representative buys flowers, fruits, nutrition, etc. and visits employee at hospital to express team care.
Compassion Fund	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.

Kuaishou prioritizes the physical and mental well-being of its employees, preventing various health and safety risks in the workplace and reminding employees to stay vigilant about health and safety issues. Through the "Health Cabin" service system, we offer employees health consultations, therapeutic massages, and other wellness services. Additionally, we provide all employees with access to online dedicated doctors and have equipped our offices nationwide with AED[38] devices. To protect employees' mental health, we launched the "EAP[39] Employee Mental Health Assistance Program," offering both online and offline counseling services to enhance employees' psychological resilience and stress management capabilities.

38 AED refers to Automated External Defibrillator.

39 EAP refers to Employee Assistance Program.

To further strengthen employees' health and safety competencies, Kuaishou continues to deepen its "First Aiders" training program. In 2024, we totally organized 17 "First Aiders" training sessions. Over the past 5 years since the launch of the "First Aiders" training program, more than 5,150 employees nationwide have obtained first aid certifications, the national training ratio has reached 14.6%, leading across the industry, with training covering the workplaces in 19 cities. We offered a total of 94 training sessions, covering all key positions of on-site suppliers. Since the introduction of the First Aiders badge in 2022, a total of 3,778 employees have earned this recognition.

Case: Health and Safety Activities of Kuaishou's Employees in 2024

- Kuaishou's Disaster Prevention and Mitigation Day Theme Activities

  During the National Disaster Prevention and Mitigation Day, Kuaishou invited the Earthquake Administration and other relevant departments and experts to visit Kuaishou, and successfully held earthquake prevention and disaster reduction training and drills, with a total of more than 500 employees participating in the training and drills and various activities to effectively enhance employees' awareness of earthquake prevention and disaster reduction.

Kuaishou Employees Participating in Earthquake Prevention and Disaster Reduction Training and Drill

- Kuaishou's National Workplace Fire Safety Thematic Activities

  During National Fire Protection Month, Kuaishou organized annual fire safety themed activities, provided the fire safety knowledge to employees through various channels, and tested fire response plans and emergency response capabilities through fire-fighting rescue and evacuation self-rescue drills. In 2024, fire evacuation drills were held in Beijing, Shenzhen, Tianjin, Chengdu, Wuhan and other offices. Nearly 13,000 employees at the Beijing office participated in the fire evacuation drills, 4,697 individuals answered the fire knowledge award-winning questions, and 161 "Fire Volunteers" were recruited.

Kuaishou's Fire Evacuation Drill

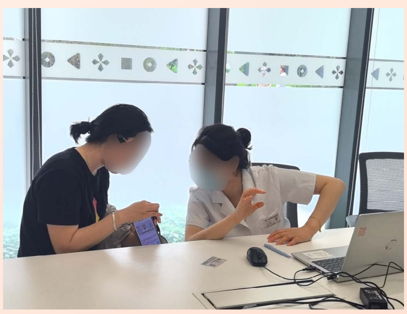
- Health Cabin Special Activities

  In 2024, we organized a variety of health-focused activities at the Health Cabin, including traditional Chinese medicine sachet-making workshops, scalp health assessments, dry eye steam therapy, testing with the support of Airdoc, first aid lectures and sports rehabilitation sessions. These initiatives attracted over 4,000 employee participations, which played a significant role in raising employees' health awareness, improving their overall well-being, and demonstrating Kuaishou's commitment to employee healthcare.


Site of Kuaishou's Health Cabin Activity

- Community Doctors in the Workplace Activities

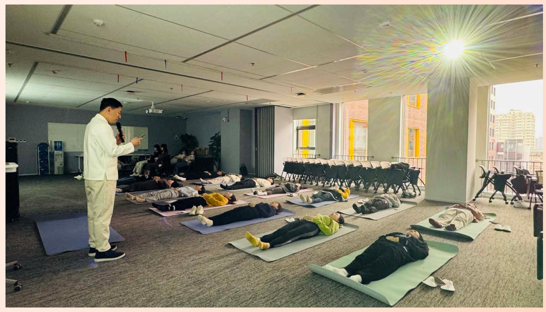
  Starting in July 2024, Kuaishou's Health Cabin partnered with the Qinghe Community Health Station to invite on-site doctors to provide services such as family doctor registrations, health consultations, and prescription services for employees at the Company's CMID. This initiative, combined with the Health Cabin's offerings, offered health support to our employees, enabled them to access medical consultations and prescriptions without leaving the workplace, significantly enhancing convenience for our employees.




Community Doctors in the Workplace

- Mindfulness Workshops

  In 2024, we organized 20 mindfulness-based stress reduction sessions, focusing on psychological themes such as emotional regulation, self-acceptance, time perception, and concentration enhancement. Led by professional instructors, these workshops provided employees with opportunities to relax, decompress, and develop self-care techniques.

Mindfulness Workshop

Employment Performance Table

Employment

Indicators		Data in 2024
Total employee headcount (person)[40]		**27,674**
Number of employees by employment type	Full-time employees (person)	24,718
	Other types of employees[41] (person)	2,956
Total full-time employee headcount (person)		**24,718**
Number of full-time employees by gender	Male (person)	13,843
	Female (person)	10,875
Number of full-time employees by age group	Under 30 (person)	15,277
	30 to 50 (person)	9,427
	Above 50 (person)	14

40 Total employee headcount includes the headcounts of full-time employees of Kuaishou Technology and headcounts of employees who are directly managed by the Company, including part-time employees, dispatched labor and interns.

41 Other types of employees include the headcounts of employees who are directly managed by the Company, including part-time employees, dispatched labor and interns.

Indicators		Data in 2024
Number of full-time employees by geographical region	The mainland of China (person)	24,581
	Overseas and Hong Kong SAR, Macao SAR and Taiwan regions of China (person)	137
Number of full-time employees by management level	Management (person)	1,468
	Non-management (person)	23,250
Total full-time employee turnover rate (%)[42]		**30.1**
Employee turnover rate by gender	Male (%)	30.8
	Female (%)	29.4
Employee turnover rate by geographical region	The mainland of China (%)	30.1
	Overseas and Hong Kong SAR, Macao SAR and Taiwan regions of China (%)	34.3
Employee turnover rate by age group	Under 30 (%)	29.9
	30 to 50 (%)	30.6
	Above 50 (%)	21.4

Employee Training

Indicators		Data in 2024
Total investment in employee training (in RMB ten thousands)		**1,784.2**
"Kuaishou Middle School" Training Results	Total time of training (hours)	1,433,903
	Total number of participants (person-times)	943,476
	Number of courses offered (courses)	4,275
Training hours per capita by employee category	Training hours per management personnel (hours)	53.6
	Training hours per non-management personnel (hours)	40.0
Percentage of employees trained by employee category	Proportion of management employee training (%)	90.8
	Proportion of non-management employee training (%)	91.5
Training hours per capita by gender	Training hours per male employee (hours)	41.1
	Training hours per female employee (hours)	40.2
Percentage of employees trained by gender	Proportion of male employee training (%)	92.1
	Proportion of female employee training (%)	90.7

42 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.

Health and Safety

Indicators	Data in 2022	Data in 2023	Data in 2024
Work-related fatalities (person)	0	0	0
Work-related fatality rate[43] (%)	0	0	0
Lost days due to work injury[44] (day)	529	381	929[45]

2.3 Business Ethics

Kuaishou continues to refine its business ethics management policies and framework, consistently optimizing management processes for anti-corruption, anti-money laundering, anti-monopoly, and unfair competition. The Company actively promotes and advocates integrity education, fostering a clean industrial ecosystem and collaborating with partners to build a fair and transparent business environment.

2.3.1 *Anti-Corruption*

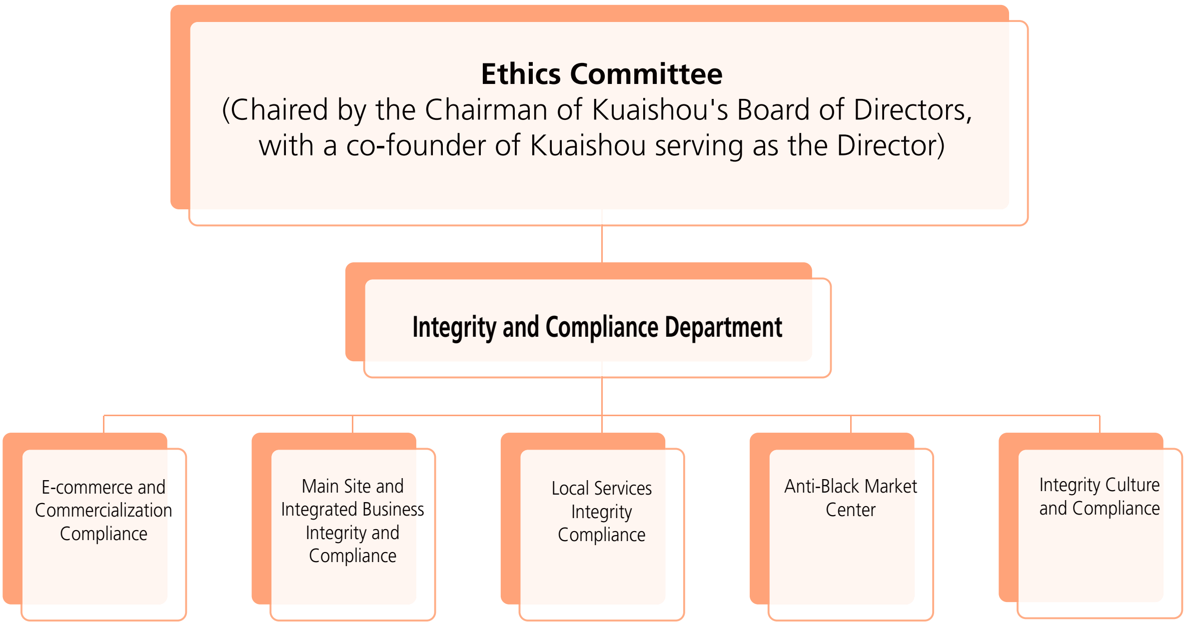
As a significant player in the global internet industry, Kuaishou strictly adheres to domestic and international laws and regulations, including the *Criminal Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, the *Foreign Corrupt Practices Act (FCPA) of the United States,* and the *Bribery Act 2010 of the United Kingdom*. In 2024, the Company updated its internal regulations, such as the *Kuaishou Gift Declaration and Management Guidelines* and the *Kuaishou Employee Traffic Resource Usage/Allocation Conflict of Interest Management Guidelines*, and publicly released the *Anti-Corruption Policy Statement* and the *Kuaishou Framework Guidelines for Avoiding Conflicts of Interest*, which clearly outlined Kuaishou's principles and measures for managing anti-corruption, so as to further enhance the transparency of the Company's anti-corruption policy and system and communicate its commitment to integrity to all stakeholders. The Company took strict measures against corruption cases. In 2024, Kuaishou experienced 2 related violations, with the associated losses being recovered and no material impact on the Company's operations.

The Business Ethics Committee serves as the highest decision-making body within Kuaishou's business ethics management system. Under the Integrity and Compliance Department, 5 specialized centers have been established, and organized by business lines: the E-commerce and Commercialization Compliance Center, the Main Site and Integrated Business Integrity and Compliance Center, the Local Services Integrity Compliance Center, and the Anti-Black Market Center. These centers are primarily responsible for investigating corporate fraud cases and implementing subsequent governance measures. Additionally, we have established the Integrity Culture and Compliance Center, which is tasked with fostering a culture of integrity, developing corporate-level integrity policies, overseeing corporate-level integrity and compliance governance and managing internal compliance efforts within departments.

43 Work-related fatality rate = (work-related fatalities/total employee headcount) * 100%.

44 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.

45 The data has increased compared to previous years due to higher business volume in 2024 and an increased incidence of bone fractures, which require a longer recovery period.



Kuaishou's Business Ethics Management Structure

In 2024, Kuaishou established an anti-corruption operational mechanism comprising the Internal Audit Department, the Integrity and Compliance Department, and the Internal Control Department. Under this framework, the Internal Audit Department conducts annual business ethics audits across all business and projects. Any identified anti-corruption leads are promptly shared with the Integrity and Compliance Department for investigation. Cases confirmed by the Integrity and Compliance Department are then forwarded to the Internal Control Department for further governance efforts, focusing on addressing process deficiencies revealed in corruption cases to mitigate the risk of recurrence.

Regarding risk management, the Company aims to establish a long-term mechanism for clean governance and continuously improves its internal control system that guided by comprehensive risk management. On one hand, combined with industry compliance case studies, the Company integrated operational data monitoring with role-based permission analysis to map out a fraud risk matrix for high-risk business scenarios. On the other hand, the Company conducted special audits in high-risk areas and establishes an intelligent monitoring system to achieve a triple-layered prevention mechanism for risk early warning, process traceability and anomaly behavior tracking. This system has effectively strengthened the integrity and accountability of key positions, thereby providing a solid governance foundation to ensure the Company's sustainable development.

Kuaishou has established a comprehensive and diversified monitoring and reporting channels, encouraging employees, suppliers, agents, clients, and other partners, as well as third parties to report incidents of corruption, bribery, and fraud. Additionally, we have implemented a clear complaint and whistleblower protection mechanism. Personal information and content provided by real-name whistleblowers are strictly confidential, and no individual is permitted to disclose such information to the reported parties or unrelated personnel. This ensures the protection of whistleblowers' legal rights and prevents any form of retaliation. As of December 31, 2024, one additional reporting channel was launched, bringing the total number of reporting channels to 10.

Business Ethics Monitoring and Reporting Channels

- Reporting Platform (covering multiple portals, including the official website and agent platforms)
- Integrity Reporting Email: lianzheng@kuaishou.com
- Official Website Reporting URL: https://jubao.kuaishou.com/#/?channel=KSPC
- WeChat Official Account: Integrity Kuaishou
- 24/7 Reporting Hotline Voicemail: 153 1191 5813
- Internal Integrity Assistant Consultation

During the reporting period, Kuaishou strengthened integrity awareness across all levels of the organization, conducting anti-corruption training sessions for employees and suppliers. These sessions included introductions for new employees, specialized training for business departments, compliance training for management, specialized training of integrity and compliance, and integrity awareness training for suppliers. The training covered multiple scenarios and roles, effectively reinforcing Kuaishou's corporate culture of integrity and security.

Training Results of Kuaishou's Integrity and Compliance System in 2024

General Introduction of Rules to New Employees	• A total of 16,343 new employees completed online training in 2024, achieving a coverage rate of 100%
Special Training for Business Departments	• 24 offline business-related training sessions were conducted, covering all key business departments and a total of 4,613 participants • New online training courses tailored to specific business areas were introduced, covering 1,424 newcomers in gaming, local services, and commercialization • A total of 165 offline training sessions for frontline workplace integrity courses were conducted, covering 2,635 participants from functional teams and frontline workplaces • The total number of certified integrity lecturers reached 83
Integrity and Compliance Training for Management	• 2 anti-corruption training sessions for the Board of Directors in 2024 were conducted • A total of 237 managers participated in online training in 2024
Special Training on Integrity and Compliance	• Internal and external corruption cases were published on the Company's "Integrity Kuaishou" official account to warn employees against corruption and promote updates to the Company's integrity policies • As of December 31, 2024, the "Integrity Kuaishou" official account released a total of 50 integrity promotion articles, accumulating over 360,000 views

Integrity and Compliance Training for Suppliers	• In 2024, 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. Additionally, integrity and compliance presentations were delivered at 5 supplier conferences. Targeted at a wide range of suppliers and reached over 2,000 individuals in total, including those providing market services, administrative services, human resources, IT services and equipment, these presentations focused on anti-corruption policies of suppliers, enhancing the management on upstream suppliers' business ethics, regular supplier business ethics audits and ESG-related topics.

Kuaishou adheres to a zero-tolerance policy towards all forms of corruption and rigorously enforces the requirements for supplier integrity management. In the "*Supplier Onboarding Commitment Letter*," we clearly outline the integrity clauses that suppliers are required to sign, as well as the consequences of bribery and the procedures for inspection and reporting. As of December 31, 2024, we signed the *Integrity Commitment Letter* with 6,028 suppliers, representing an increase of 22.0% from 4,928 in 2023.

2.3.2 *Anti-Money Laundering*

Kuaishou actively monitors and promptly responds to developments in anti-money laundering (AML) laws and regulations, including the *Anti-Money Laundering Law of the People's Republic of China*. In line with domestic and international regulatory policies, we regularly update relevant systems. In 2024, we established internal policies such as the *Kuaishou Anti-Money Laundering Policy Statement*, *Anti-Money Laundering and Counter-Terrorist Financing Management Measures*, and *Money Laundering Risk Self-Assessment Management Measures* to ensure all business activities comply with both international and domestic AML legal requirements.

Kuaishou has established a robust AML management structure, with a dedicated department overseeing the Group's AML efforts. This department strictly enforces and adheres to 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.

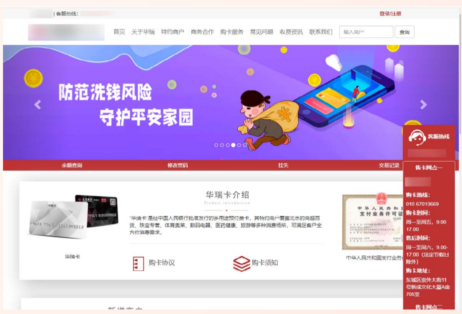
In 2024, Kuaishou implemented normalized AML management, enhancing internal controls, advancing technological applications, and strengthening employee training to continuously improve AML management practices.

Kuaishou's Normalized AML Management

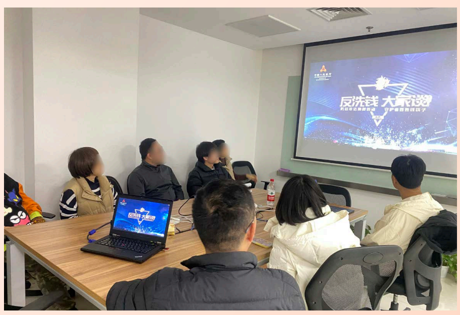
Enhancing Internal Controls	• System Development: Formulating and improving relevant systems to ensure all business processes comply with regulatory requirements. • Risk Assessment: Conducting regular money laundering risk assessments to identify potential risks and implement corresponding control measures. • Supervision and Inspection: Ensuring effective implementation of AML policies through internal audits and compliance checks, promptly identifying and correcting issues.
Advancing Technological Applications	• System Development: Investing in advanced AML monitoring systems, leveraging big data and artificial intelligence to improve monitoring efficiency. • Data Analysis: Strengthening the analysis of transaction data to promptly identify suspicious transactions and take appropriate control measures.
Strengthening Employee Training	• Knowledge Dissemination: Regularly organizing AML training to enhance employees' awareness and understanding of AML efforts. • Cultural Development: Fostering a compliance culture and creating an environment where all employees participate.

Case: Online and Offline Integration for Comprehensive AML Promotion and Training

In 2024, Kuaishou strengthened internal AML efforts by conducting promotion and training activities both online and offline. In terms of online activities, we published educational articles, case studies, and short videos on our official accounts to promote new AML laws and regulations. For offline promotion and training, we organized internal AML training sessions for employees, sharing cases and highlighting money laundering risks. These training sessions effectively deepened employees' understanding of AML laws and contributed to building a healthy financial ecosystem.



Screenshots of Online Promotion Campaign



Offline AML Training Session

2.3.3 *Anti-Monopoly and Unfair Competition*

Kuaishou places great emphasis on improving anti-monopoly compliance management and adheres to lawful and compliant operations. We strictly comply with the *Anti-Monopoly Law of the People's Republic of China* and its supporting regulations, establishing internal systems such as the *Kuaishou Competition Compliance Management System* and *Kuaishou Concentration of Undertakings Compliance Guidelines* to standardize and guide anti-monopoly compliance efforts.

Referencing the *Compliance Guidelines for Undertakings in Anti-Monopoly*, Kuaishou maintains normalized anti-monopoly compliance controls through compliance mechanisms of identification, assessment, and resolution. For concentrations of undertakings, we have established pre-review and compliance mechanisms, conducting compliance control for all new concentration projects. For example, in investment and M&A transactions, we pre-assess whether a transaction constitutes a concentration and meets reporting thresholds before signing transaction documents to ensure compliance and mitigate risks.

In 2024, guided by the principles of mutual benefit and fair competition, Kuaishou actively participated in a variety of research and exchange activities related to the online live-streaming industry, including market competition surveys and anti-monopoly compliance meetings for concentration of undertakings. By maintaining close communication with the cutting-edge developments in the industry, Kuaishou aimed to join hands with all parties to create a market environment that encourages orderly innovation, ensures fair competition and fosters healthy development.

2.4 Supply Chain Management

Kuaishou is committed to building a secure, reliable, and sustainable supply chain system. Through a comprehensive supplier lifecycle management system, we establish clear standards for suppliers in environmental protection, labor management, data security, and business ethics, driving high-quality development across the value chain to achieve mutual benefits for all parties.

2.4.1 *Supplier Compliance Management*

During the reporting period, Kuaishou continued to refine its procurement and supplier management regulations by updating policies such as the *Procurement Management System* and *Self-Procurement Management Regulations*, building upon existing frameworks 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 updates further optimized the lifecycle management process for supplier entry, selection, assessment, ESG risk management, and exit. In 2024, a total of 3,600[46] suppliers entered into cooperation contracts with the Group, including 3,428 domestic suppliers (of which 79 were from Hong Kong SAR, Macau SAR and Taiwan) and 172 overseas suppliers.

46 In 2024, due to a system upgrade at Kuaishou, the introduction of a "procurement" label led to a change in the statistical scope of suppliers. Only those meeting Kuaishou's definition of "procurement" were included in the statistics, resulting in a significant reduction in the number of suppliers in 2024 compared to previous years.

In 2024, Kuaishou strengthened its service agreements and commitment letter system, introducing a GPA[47] template to clearly define standards and obligations, ensuring the protection of both parties' rights in collaboration scenarios and enhancing the legal rigor of agreements. As of December 31, 2024, the GPA signing rate for market procurement suppliers reached 100%.

Additionally, we focused on mitigating management risks and improving communication efficiency through online collaboration. During the reporting period, we upgraded the supplier portal, expanded online collaboration, optimized processes, and introduced intelligent customer service features, making supplier orders, acceptance, and payments more convenient, efficient, and transparent. The efficiency of collaborative documents has increased by 3 times. These measures simplified operations, saved communication and labor costs, and advanced paperless processes for a more environmentally friendly communication model for both parties.

Supplier Lifecycle Management System

Supplier Entry	• We established unified entry rules and standards, signing confidentiality, information security, integrity, and ESG-related agreements with suppliers to ensure safety, compliance, and low risks; • We developed customized qualification audit standards for each supplier category to ensure their compliance with management standards for quality, environment, occupational health and safety, and food safety; • For suppliers in categories like catering and furniture, Kuaishou conducted thorough assessments of production environments, safety measures, and environmental compliance through document verification and on-site inspections to ensure they meet our supply standards.
Supplier Selection	• 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. This approach ensures equal opportunities for suppliers that meet the appropriate criteria; • We promoted online processes to ensure transparency and standardization, prohibiting under-the-table operations to guarantee fairness and compliance in supplier selection.
Supplier Assessment	• We conducted comprehensive post-fulfillment performance evaluations to assess suppliers' compatibility with us, rewarding outstanding suppliers and adjusting strategies for those that underperform.
Supplier ESG Risk Management	• Kuaishou has built a Supplier ESG risk management framework, requiring suppliers to meet environmental, occupational health and safety, business ethics, and social responsibility standards during onboarding to mitigate potential ESG risks in the supply chain.
Supplier Exit	• We hold suppliers that have acted dishonestly accountable, and eliminate or suspend them; • Unqualified suppliers will be gradually eliminated, to accelerate the optimization and upgrading of the supply chain, ensuring its efficient operation and quality standards.

[47] GPA refers to General Purchase Agreement.

During the Reporting Period, Kuaishou maintained close collaborations with all suppliers through online and offline meetings, reviewed the effectiveness of the cooperation and developed improvement plans, our engaging in in-depth discussions on core topics such as long-term strategic cooperation, business ethics and information security management, to ensure alignment between both parties on collaboration goals, execution standards and integrity compliance requirements. Meanwhile, leveraging important festivals, we conducted integrity promotion activities to continuously strengthen compliance awareness in the supply chain, laying a solid foundation for long-term cooperation.

In 2024, Kuaishou continued to conduct performance assessments for 274 suppliers, covering factors including but not limited to technology, quality, responsiveness, delivery, cost, and other factors such as own risk, performance risks, development potential, and ESG performance. Online assessments made the process more transparent and fairer, with results promptly fed back to suppliers through the supplier portal for effective and timely application.

Supplier Performance Assessment Considerations

Technology (T)	• To assess suppliers' technological capabilities, research and development capabilities, patents, productivity, processes, etc.
Quality (Q)	• To assess suppliers' quality of products, service and management.
Responsiveness (R)	• To assess suppliers' responsiveness, communication efficiency and willingness to cooperate during their cooperation with Kuaishou.
Delivery (D)	• To assess the results of supplier performance evaluation, including delivery quality, timeliness, quantity, etc.
Cost (C)	• To assess strengths and weaknesses of the suppliers' transaction price, commercial terms and total cost.
Others (O)	• To assess suppliers' risks by comprehensively considering potential legal, financial, and operational risks they may face. Simultaneously, rigorously monitor for any security vulnerabilities, compliance issues, integrity risks, or any other forms of misconduct during the collaboration process. • To assess suppliers' development potential by thoroughly examining their performance and ranking within the industry, market share and position, business alignment, and compatibility with Kuaishou's requirements. Additionally, conduct an in-depth assessment of their corporate culture, ESG performance and other multi-dimensional factors.

2.4.2 *Responsible Procurement and Green Procurement*

Kuaishou places high importance on environmental and social risks in the supply chain. While fully safeguarding suppliers' interests, we proactively identify and manage risks, formulating the *Supplier Admission Commitment Letter* and requiring all suppliers to sign and adhere to its core principles, encouraging them to fulfill social responsibilities and pursue sustainable development.

Core Principles of the Kuaishou *Supplier Admission Commitment Letter*

Labor and Human Rights Protection	Requiring suppliers to adhere to the highest ethical standards, including prohibitions on child labor, freedom of association, equal treatment, identity protection, minimum wage standards, capped working hours, and anti-retaliation measures.
Employee Health and Workplace Safety Protection	Providing employees with a safe and healthy working environment, adhering to laws and regulations in relation to working hours and compensation, and implementing emergency response measures.
Environmental Protection	Deepening suppliers' environmental awareness, requiring them to conduct production activities with minimal environmental impact and in strict compliance with domestic and international environmental standards.
Anti-Corruption	Complying with laws and regulations in relation to anti-corruption, conducting business in a transparent and honest manner, and opposing any form of corruption and bribery.
Data Security and Privacy Protection	Complying with laws and regulations relating to data protection to safeguard the personal information and data security of customers and users.

In 2024, Kuaishou strengthened data security and privacy protection in outsourcing collaborations (covering technical, non-technical, customer service, project-based, database services, insurance, physical examinations, data collection and annotation, and operation and maintenance) through supplier commitment letters and cooperation contracts. Kuaishou also promoted environmentally friendly printing in CSR[48] report project tenders, driving the development of the supply chain in a green, efficient and sustainable way.

Case: Green Upgrade of Data Centers Facilitates Responsible Procurement

In 2023, Kuaishou prioritized partnerships with nationally certified green data centers for its leased data centers in Beijing and surrounding areas. In 2024, Kuaishou continued this initiative, successfully obtaining 2 national green data center certifications during the Reporting Period, adding dual assurance of environmental sustainability and energy efficiency to its leased data center operations.

48 CSR refers to Corporate Social Responsibility.

During the Reporting Period, Kuaishou consistently monitored suppliers' performance in environmental protection, labor and human rights, health and safety, employee welfare, business ethics, and data security and privacy protection. This ensured that all suppliers adhered to high standards of social responsibility, collectively fostering a more sustainable, equitable, secure, and trustworthy business ecosystem.

2.5 Social Responsibility

Kuaishou remains committed to corporate social responsibility, actively engaging in charitable initiatives and social welfare programs. The Company meticulously designs diverse philanthropic projects, focusing on key areas of public welfare to deliver meaningful social impact. Kuaishou also encourages employees to participate in volunteer activities, organizing community outreach programs to support underprivileged groups and promote public welfare awareness, fostering shared social progress.

2.5.1 Community Contribution

Guided by a strong sense of social responsibility, Kuaishou contributes to communities in multifaceted ways. Leveraging its platform advantages, Kuaishou supports rural industry development, empowers women in employment and entrepreneurship, and promotes intangible cultural heritage, continuously infusing warmth and strength into community development.

Case: Kuaishou Charity's "Happy Lecture Hall" Project

Kuaishou Charity's "Happy Lecture Hall" project aims to enhance digital literacy and skills nationwide. Through inclusive new media skills training, it helps rural streamers, women, young entrepreneurs, disabled individuals, and elderly care professionals to master short video and live-streaming skills. Additionally, the program supports digital transformation across industries, enabling more people to benefit from digital advancements. The "Happy Lecture Hall" project has also donated "shared live-streaming channels" in 7 provinces, creating live-streaming e-commerce hubs to help local communities embrace digital technologies and promote coordinated regional development. To date, the project has reached over 40 counties and cities, benefiting more than 1 million people with "short video + live-streaming" digital skills.

Kuaishou Charity's "Happy Lecture Hall" Project

Case: Kuaishou's 2024 Rural Revitalization Series of Public Welfare Activities

Kuaishou leverages its platform strengths to actively contribute to rural revitalization. Under the guidance of local women's federations, we empowered the development of rural women by providing them with agricultural technology and internet vocational skills training. Utilizing the platform's reach, we produced and released videos showcasing "Amazing Local Specialties" and collaborated with China Foundation for Rural Development's Good Products Community e-commerce platform to promote farmer-support charity products. These efforts contribute to the prosperity of rural industries.

Rural Women's Agricultural Technology and Internet Vocational Skills Training Project of the Liaoning Women's Federation

Farmer-Support Charity Products by Live-Streaming

Case: Kuaishou's Public Welfare Projects Supporting Women's Development

Under the guidance of the Beijing Women's Federation, Kuaishou Charity actively carried out trainings for female streamers, helping more women acquire short video and live streaming skills, which aimed to assist women in seizing e-commerce development opportunities, integrating into the e-commerce industry, and achieving entrepreneurship, employment, and increased income. On March 26, 2024, the "Pursuit of Happiness", Kuaishou Charity's short video and live streaming training event, was successfully held at the hall of the Beijing Women and Children Service Center.

"Pursuit of Happiness" Female Streamer Training Project

Case: Kuaishou's Public Welfare Project Supporting Intangible Cultural Heritage Inheritors

In 2024, Kuaishou Charity launched the "Intangible Cultural Heritage Learning Academy" project, the first public welfare initiative in China to systematically support struggling intangible cultural heritage inheritors through internet platforms. The project assists inheritors in remote areas by helping them start businesses, increase income, and enhance their capabilities through initiatives such as introducing intangible cultural heritage into schools and communities, as well as through copyright collaborations. Simultaneously, it aims to raise awareness and cultivate appreciation for intangible cultural heritage among a broader audience, thereby promoting the preservation and revitalization of traditional crafts. The initial phase of the "Kuaishou Charity's Intangible Cultural Heritage Learning Academy" has already supported over 20 inheritors across Shanxi, Gansu, and Qinghai provinces. The project's teaching venues are expected to expand to 50 rural schools and communities, benefiting more than 15,000 individuals.

"Intangible Cultural Heritage Learning Academy" Project

2.5.2 *Public Welfare and Volunteer Services*

Kuaishou remains steadfast in its commitment to deepening its involvement in public welfare and charity. Through initiatives such as educational aid and support for the disabled, Kuaishou actively plays a significant role. It organizes employee volunteer teams to tangibly contribute to and enhance social development. In 2024, Kuaishou donated approximately RMB47.41 million through our public welfare projects, and dedicated 37,482.0 hours to public welfare projects.

Case: Kuaishou Charity's Employee Stray Animal Protection Project

In 2024, Kuaishou officially launched the "Kuaishou Charity's Employee Platform" within its office system. Employees can use this platform to track the progress of the Company's public welfare projects and sign up to participate in public welfare activities. In December 2024, Kuaishou Charity, in collaboration with organizations such as "TA Foundation" and "Send You a Dog", initiated the "Send You a Little Cutie" event at Kuaishou. This initiative featured animal protection-themed lectures and public adoption days aimed at Kuaishou's employees, raising their awareness about animal welfare while helping stray animals find warm and loving homes.

"Send You a Little Cutie" Event

Case: Kuaishou Charity's Care for the Disabled

In 2024, during public welfare days such as the National Disability Day and the International Day of Persons with Disabilities, Kuaishou collaborated with China Disabled Persons' Federation to host live-streaming events aimed at promoting employment opportunities for individuals with disabilities and assisting in the sale of products made by them. We also partnered with relevant associations and external media to release a special short film titled *"Connection: Echoes in Every Life,"* which revisited disabled creators who use short videos and live streams on Kuaishou to document and create beautiful lives, as well as creators who care for their disabled friends, sparking widespread social attention. Furthermore, to further promote the high-quality development of the disability sector, Kuaishou Charity and Kuaishou Digital Human Technology Team, in collaboration with Hebei Disabled Persons' Federation, launched the "Kuaishou Digital Human Live Streaming Assistance Base for the Disabled" project. This project is dedicated to exploring new models of employment assistance for people with disabilities in the digital era, leveraging technology to open new pathways for their integration into society and their pursuit of a better life.

Kuaishou Charity's Care for the Disabled Projects

Case: Kuaishou Charity's Educational Aid Projects

Kuaishou has long been committed to public welfare education, striving to eliminate geographical barriers in educational resources and help students in remote areas broaden their horizons. It has established various educational aid projects, significantly promoting balanced educational development.

- "Future Enlightenment Classroom" Summer Camp Project

  Kuaishou Charity launched the "Future Enlightenment Classroom" project, which, by the end of 2024, brought over 80 teachers and students to Beijing for a public welfare summer camp. The camp featured programming and IT education, technology experiences, music and self-protection courses, university visits, Kuaishou headquarters tours, sightseeing, and international exchange opportunities. Children from multiple remote regions participated in this comprehensive educational program.

Kuaishou Charity's "Future Enlightenment Classroom" Project

- "Future Enlightenment Classroom" Digital Classroom Project

  Kuaishou's "Future Enlightenment Classroom" digital classroom project, in collaboration with Beijing Women & Children Development Foundation and other organizations, donated computer classrooms in regions including the Beijing-Tianjin-Hebei region, Baiyin and Longnan in Gansu, Linyi in Shandong, Lvliang in Shanxi, and Guoluo in Qinghai. This project has helped 19 schools offer courses in IT, AI, and programming. By the end of 2024, Kuaishou Charity had supported over 500 schools in remote areas through assistance in music, sports, and IT, benefiting 700,000 children and adolescents.


Kuaishou Charity's "Future Enlightenment Classroom" Digital Classroom Project

- "Join Hands for Good" Back-to-School Public Welfare Campaign

  Kuaishou Charity, Kuaishou E-commerce and Shenzhen One Foundation jointly launched the "Join Hands for Good" back-to-school public welfare campaign. The initiative invited several Kuaishou's e-commerce streamers and children's brand companies to participate, donating books, educational supplies, and daily necessities worth over RMB180,000 to 12 rural primary schools across 7 provinces, offering care and support to rural children as they started a new school year.

"Join Hands for Good" Back-to-School Public Welfare Campaign

- Education Assistance and Care Service Project for Disadvantaged Children in Beijing-Tianjin-Hebei Region

  Beijing Kuaishou Charity Foundation, in partnership with Beijing Women & Children Development Foundation, launched the Education Assistance and Care Service Project for Disadvantaged Children in the Beijing-Tianjin-Hebei Region. The project provides educational grants to disadvantaged children in primary and secondary schools, funds the establishment of digital classrooms, and organizes training sessions on health education, digital education, and science education. The project aims to make children in the Beijing-Tianjin-Hebei region feel the warmth and care of society while enhancing their technological literacy, innovative thinking, and overall quality. It is expected to benefit approximately 100,000 children and their families.

Visits to the Education Assistance and Care Service Project for Disadvantaged Children in the Beijing-Tianjin-Hebei Region

Case: World Children's Day "KLING AI Classroom" Volunteer Project

On World Children's Day in 2024, Kuaishou Charity, in collaboration with the Party committee of Kuaishou, organized a team of over 10 volunteers to visit Zhongchuan Town Central Primary School in Huining County, Gansu Province. They conducted an AI large model experience class themed "My Dream." The public welfare lecturers vividly explained the basics of programming to the children, introducing them to the concept of AI and subtly bringing technology into their colorful world. Our volunteers guided the children in experiencing KLING, Kuaishou's self-developed video generation large model, allowing technology to help realize dreams and sparking the children's innovative thinking and imagination.

World Children's Day "KLING AI Classroom" Volunteer Project

In 2024, the Group and its multiple public welfare projects received recognition and encouragement from external organizations:

1) Kuaishou Charity's "Happy Lecture Hall" was selected as one of the 2024 Top 10 Outstanding Cases of New Media Public Welfare in China by the New Media Professional Committee of the All-China Journalists Association

2) Kuaishou Charity's "Future Enlightenment Classroom" won the "Chasing Dreams for the Future" category as an excellent case at the "2024 People's Daily Online Corporate Social Responsibility Forum"

3) Kuaishou Charity's "Future Enlightenment Classroom" won the "Public Welfare Innovation" category as an excellent case at the "2024 China National Radio Network Corporate Social Responsibility Thematic Dialogue"

4) Kuaishou's "Happy Lecture Hall" was awarded the Best Poverty Reduction Case in the Fifth Global Solicitation on Best Poverty Reduction Practices Campaign, judged by 7 organizations including the International Poverty Reduction Center in China and the World Bank

5) Kuaishou's "Happy Lecture Hall" won the Excellence Solution in the 2024 "Awards Ceremony of GoldenKey — SDG Solutions" hosted by China Sustainability Tribune

6) Kuaishou Technology was awarded the Most Socially Responsible Listed Company at the 8th Zhitong Finance Listed Company Awards

7) Kuaishou Technology was recognized as one of the Top 10 Outstanding Cases of Corporate Social Responsibility in Netcasting Enterprises 2024 by Beijing Netcasting Services Association

8) Kuaishou Technology won the title of the Public Welfare Ecosystem Partner by Internet Society of China

9) Kuaishou's "Village Broadcasting Program" was included in the "*Excellent Case Library of E-commerce and Digital Economy in Higher Education*" by the Higher Education E-commerce and Digital Economy Case Center

10) Kuaishou Technology was recognized as a "Pioneer in Digital Industry Contributing to Sustainable Development" and for "Outstanding Practices in Digital Industry Promoting Sustainable Development" by China Sustainability Tribune

2.5.3 Public Welfare Promotion

Kuaishou leverages its platform influence to maximize its strengths in content aggregation and rapid dissemination, thereby promoting public welfare awareness and encouraging widespread public participation. We actively support the publication of content related to environmental protection and DEI[49] on our platform, document the details of environmental protection actions, convey the concept of equality, and drive positive social changes through diverse content, demonstrating our platform's commitment to public welfare. In 2024, a total of 6.187 million videos containing environmental-related keywords[50] under the topics with # were published on the Kuaishou platform, amassing a total of 14.54 billion views. Additionally, 497,000 videos containing gender equality-related keywords[51] under the topics with # were released, with an accumulation of 1.24 billion views.

2.6 Key Public Welfare Indicators

Indicators	Data in 2024
Total donation of public welfare projects (in RMB ten thousands)	4,741.0
Total time invested in public welfare projects (hours)	37,482.0

49 Diversity, Equity and Inclusion

50 Including environmental protection, environmental conservation, protecting the environment, renewable energy, sustainable development, energy conservation and emission reduction, low-carbon economy, carbon neutrality, green living, green transportation, biodiversity, water conservation, green China, carbon peak, photovoltaics, sustainable energy, green electricity, sewage treatment, solar energy, afforestation, new energy, waste sorting, etc.

51 Including equal rights, gender equality, feminism, women's rights, female leadership, women's entrepreneurship, equal pay for equal work, protecting vulnerable women, anti-discrimination and diversity, etc.

APPENDIX: INDEX OF ESG INDICATORS OF THE STOCK EXCHANGE

Indicators	Description	Related Sections
A. Environmental		
Aspect A1: Emissions		
General Disclosure		1.2 Green Operation
A1.1	The types of emissions and respective emissions data	1.2 Green Operation 1.3 Key Environmental Indicators
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	1.3 Key Environmental Indicators
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	1.3 Key Environmental Indicators
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	1.3 Key Environmental Indicators
A1.5	Description of emission target(s) set and steps taken to achieve them	1.1 Addressing Climate Change
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them	1.1 Addressing Climate Change 1.2 Green Operation
Aspect A2: Use of Resources		
General Disclosure		1.2 Green Operation
A2.1	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)	1.3 Key Environmental Indicators
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	1.3 Key Environmental Indicators
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	1.1 Addressing Climate Change 1.2 Green Operation
A2.4	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	1.1 Addressing Climate Change 1.2 Green Operation
A2.5	Total packaging material used for finished products (in tonnes) and, where appropriate, with reference to per unit produced	N/A[52]
Aspect A3: The Environment and Natural Resources		
General Disclosure		1.2 Green Operation
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	1.2 Green Operation

52 In 2024, 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.

Indicators	Description	Related Sections
Aspect A4: Climate Change		
General Disclosure		1.1 Addressing Climate Change
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them	1.1 Addressing Climate Change
B. Social		
Aspect B1: Employment		
General Disclosure		2.2 Employees' Development
B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region	2.2 Employees' Development
B1.2	Employee turnover rate by gender, age group and geographical region	2.2 Employees' Development
Aspect B2: Health and Safety		
General Disclosure		2.2 Employees' Development
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	2.2 Employees' Development
B2.2	Lost days due to work injury	2.2 Employees' Development
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored	2.2 Employees' Development
Aspect B3: Development and Training		
General Disclosure		2.2 Employees' Development
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	2.2 Employees' Development
B3.2	The average training hours completed per employee by gender and employee category	2.2 Employees' Development
Aspect B4: Labor Standards		
General Disclosure		2.2 Employees' Development
B4.1	Description of measures to review employment practices to avoid child and forced labor	2.2 Employees' Development
B4.2	Description of steps taken to eliminate such practices when discovered	2.2 Employees' Development
Aspect B5: Supply Chain Management		
General Disclosure		2.4 Supply Chain Management
B5.1	Number of suppliers by geographical region	2.4 Supply Chain Management
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored	2.4 Supply Chain Management
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	2.4 Supply Chain Management

Indicators	Description	Related Sections
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	2.4 Supply Chain Management
Aspect B6: Product Responsibility		
General Disclosure		2.1 Platform Responsibilities
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	N/A[53]
B6.2	Number of products and service related complaints received and how they are dealt with	2.1 Platform Responsibilities
B6.3	Description of practices relating to observing and protecting intellectual property rights	2.1 Platform Responsibilities
B6.4	Description of quality assurance process and recall procedures	N/A[54]
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	2.1 Platform Responsibilities
Aspect B7: Anti-corruption		
General Disclosure		2.3 Business Ethics
B7.1	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	2.3 Business Ethics
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	2.3 Business Ethics
B7.3	Description of anti-corruption training provided to directors and staff	2.3 Business Ethics
Aspect B8: Community Investment		
General Disclosure		2.5 Social Responsibility
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport)	2.5 Social Responsibility
B8.2	Resources contributed (e.g. money or time) to the focus area	2.6 Key Public Welfare Indicators

53 In 2024, 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.

54 In 2024, 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 quality inspection process and product recycling procedures, this indicator was not applicable.

APPENDIX: SASB STANDARD INDEX

TOPIC	METRIC	CODE	Location
Environmental Footprint of Hardware Infrastructure	(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable	TC-SI-130a.1	1.1 Climate Change Response 1.2 Green Operations 1.3 Key Environmental Indicators
	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	TC-IM-130a.2	1.1 Climate Change Response 1.2 Green Operations 1.3 Key Environmental Indicators
	Discussion of the integration of environmental considerations into strategic planning for data center needs	TC-IM-130a.3	1.1 Climate Change Response 1.2 Green Operations
Data Privacy, Advertising Standards & Freedom of Expression	Description of policies and practices relating to targeted advertising and user privacy	TC-IM-220a.1	2.1 Platform Responsibilities
Data Security	(1) Number of data breaches, (2) percentage that are personal data breaches, (3) number of users affected	TC-IM-230a.1	2.1 Platform Responsibilities
	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	TC-IM-230a.2	2.1 Platform Responsibilities
Employee Recruitment, Inclusion & Performance	Employee engagement as a percentage	TC-IM-330a.2	2.2 Employees' Development
	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, (c) technical employees and (d) all other employees	TC-IM-330a.3	2.2 Employees' Development
Intellectual Property Protection & Competitive Behavior	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	TC-IM-520a.1	2.3 Business Ethics

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 226 to 320, comprise:

- the consolidated balance sheet as of December 31, 2024;
- 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, 2024, 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 International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (“**IESBA Code**”), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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
- Fair value determination of investments in unlisted entities classified as "financial assets at fair value through profit or loss"
- 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 services and other services including services for e-commerce business through the Group's platform ("**Platform**"). Revenues of RMB126.9 billion were recognized for the year ended December 31, 2024. 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 were delivered by the Group or over the display period. Revenues from live streaming services 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.	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 services 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 top-ups for purchase of virtual items (the "**Top-Ups**"), the consumption of virtual items by the users of the Platform, the delivery of online marketing services and the records of the status of sale transaction of goods related to e-commerce services in accordance with the pre-set system logics;

Key Audit Matter	How our audit addressed the Key Audit Matter
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 focused on this area as significant efforts were spent on auditing the revenues recognized from online marketing services, live streaming services 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 the virtual items was sold and consumed and online marketing services and e-commerce related services were delivered.	• By using computer-assisted audit techniques, examined the virtual items consumption, online marketing service delivery and e-commerce business order and related delivery records in the IT systems at single transaction level on a sampling basis; • 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 revenues from online marketing services and related trade receivables 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 services and other services including e-commerce related services were supported by the evidence we obtained.

Key Audit Matter	How our audit addressed the Key Audit Matter
Fair value determination of investments in unlisted entities classified as "financial assets at fair value through profit or loss" Refer to notes 2.1.5, 3.3 and 20 to the consolidated financial statements. The fair value of investments in unlisted entities classified as "financial assets at fair value through profit or loss" as of December 31, 2024 amounted to approximately RMB2.7 billion. These financial assets were measured based on unobservable inputs and are classified as "level 3 financial instruments". As these entities are unlisted and not traded in an active market, management determined the fair values of these unlisted entities by using applicable valuation techniques with the assistance from an independent external valuer. The fair value determination required significant management's judgments and estimates, the use of unobservable inputs. We focused on this area since the determination of fair values for these investments was subject to high degree of estimation uncertainty. The inherent risk in relation to the determination of the fair values for these unlisted entities are considered significant due to the complexity of valuation techniques and significant management assumptions and estimates adopted, such as expected volatility, discount for lack of marketability and risk-free rate, as well as the probability weight among the timing of the liquidation, redemption or IPO event scenarios, and the selection of data used in the valuation, which are subjective.	We performed the following procedures to address the key audit matter: • Obtained an understanding on the management's internal control process for determining the fair value of investments in unlisted entities 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 and subjectivity, changes and susceptibility to management bias; • Examined the relevant legal documents and investment agreements, and assessed the implications of the key terms as set out in these documents/agreements to the valuation of the respective investments; • Assessed the competence, capabilities and objectivity of the independent external valuer engaged by the Group; • Involved our internal valuation expert in assessing and challenging the appropriateness of the valuation techniques used and the reasonableness of the significant assumptions and estimates applied by the management (including selection of comparable companies and multipliers, expected volatility, discount for lack of marketability and risk-free rate) based on external market data on a sampling basis; • Checked the accuracy of historical data used in the fair value determination to supporting documents on a sampling basis; and • Tested the mathematic accuracy of the valuation computation. Based on the procedures performed, we considered that the fair value determination of investments in unlisted entities remained appropriate and the valuation techniques, significant assumptions and data used by management in the assessment of the fair value of the investments in unlisted entities were supported by the evidence we obtained.

Key Audit Matter	How our audit addressed the Key Audit Matter
Recognition of deferred tax assets Refer to notes 2.1.8, 13 and 32 to the consolidated financial statements. As of December 31, 2024, the Group had deferred tax assets amounting to approximately RMB6.6 billion. In addition, the unrecognized deferred tax assets for tax losses as of December 31, 2024 amounted to RMB4.9 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 estimation 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, 2024; and • Tested the calculation of deferred income tax assets by reference to tax rates enacted or substantively enacted at the balance sheet date. 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.

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.

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 Lo Kai Leung, Thomas.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, March 25, 2025

Consolidated Income Statement

	Note	Year ended December 31, 2024 RMB'Million	2023 RMB'Million
Revenues	6	**126,898**	113,470
Cost of revenues	9	**(57,606)**	(56,079)
Gross profit		**69,292**	57,391
Selling and marketing expenses	9	**(41,105)**	(36,496)
Administrative expenses	9	**(2,916)**	(3,514)
Research and development expenses	9	**(12,199)**	(12,338)
Other income	7	**533**	978
Other gains, net	8	**1,682**	410
Operating profit		**15,287**	6,431
Finance income, net	11	**236**	539
Share of losses of investments accounted for using the equity method	19	**(29)**	(81)
Profit before income tax		**15,494**	6,889
Income tax expenses	13	**(150)**	(490)
Profit for the year		**15,344**	6,399
Attributable to:			
— Equity holders of the Company		**15,335**	6,396
— Non-controlling interests		**9**	3
		15,344	6,399
Earnings per share attributable to equity holders of the Company (expressed in RMB per share)	14		
Basic earnings per share		**3.56**	1.48
Diluted earnings per share		**3.48**	1.44

The notes on pages 234 to 320 are an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

	Note	Year ended December 31, 2024 RMB'Million	2023 RMB'Million
Profit for the year		**15,344**	6,399
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Share of other comprehensive (loss)/income of investments accounted for using the equity method	19	**(3)**	14
Currency translation differences		**1,063**	1,286
Items that may be subsequently reclassified to profit or loss			
Currency translation differences		**(805)**	(938)
Other comprehensive income for the year, net of taxes		**255**	362
Total comprehensive income for the year		**15,599**	6,761
Attributable to:			
— Equity holders of the Company		**15,590**	6,758
— Non-controlling interests		**9**	3
		15,599	6,761

The notes on pages 234 to 320 are an integral part of these consolidated financial statements.

Consolidated Balance Sheet

	Note	As of December 31, 2024 RMB'Million	2023 RMB'Million
ASSETS			
Non-current assets			
Property and equipment	*15*	**14,831**	12,356
Right-of-use assets	*16*	**8,891**	10,399
Intangible assets	*17*	**1,059**	1,073
Investments accounted for using the equity method	*19*	**166**	214
Financial assets at fair value through profit or loss	*20*	**24,430**	5,245
Other financial assets at amortized cost	*20*	**62**	283
Deferred tax assets	*32*	**6,604**	6,108
Long-term time deposits	*23*	**19,856**	9,765
Other non-current assets		**1,105**	492
		77,004	45,935
Current assets			
Trade receivables	*21*	**6,674**	6,457
Prepayments, other receivables and other current assets	*22*	**4,646**	4,919
Financial assets at fair value through profit or loss	*20*	**27,050**	25,128
Other financial assets at amortized cost	*20*	**233**	950
Short-term time deposits	*23*	**11,522**	9,874
Restricted cash	*23*	**47**	128
Cash and cash equivalents	*23*	**12,697**	12,905
		62,869	60,361
Total assets		**139,873**	106,296

Consolidated Balance Sheet

	Note	As of December 31, 2024 RMB'Million	2023 RMB'Million
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	*24*	—	—
Share premium	*24*	268,733	273,459
Treasury shares		(341)	(88)
Other reserves	*25*	35,776	33,183
Accumulated losses		(242,164)	(257,491)
		62,004	49,063
Non-controlling interests		20	11
Total equity		62,024	49,074
LIABILITIES			
Non-current liabilities			
Borrowings	*28*	11,100	—
Financial liabilities at fair value through profit or loss		124	—
Lease liabilities	*16*	6,765	8,405
Deferred tax liabilities	*32*	13	18
Other non-current liabilities		19	21
		18,021	8,444
Current liabilities			
Accounts payables	*29*	27,470	23,601
Other payables and accruals	*30*	23,113	16,592
Advances from customers	*31*	4,696	4,036
Financial liabilities at fair value through profit or loss		5	—
Income tax liabilities		873	1,222
Lease liabilities	*16*	3,671	3,327
		59,828	48,778
Total liabilities		77,849	57,222
Total equity and liabilities		139,873	106,296

The notes on pages 234 to 320 are an integral part of these consolidated financial statements.

The consolidated financial statements on pages 226 to 320 were approved by the Board of Directors on March 25, 2025 and were signed on its behalf:

CHENG Yixiao
Director

SU Hua
Director

Consolidated Statement of Changes in Equity

	Note	Attributable to equity holders of the Company							
		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*
Balance at January 1, 2024		–	273,459	(88)	33,183	(257,491)	49,063	11	49,074
Profit for the year		–	–	–	–	15,335	15,335	9	15,344
Other comprehensive income									
Share of other comprehensive loss of investments accounted for using the equity method	19	–	–	–	(3)	–	(3)	–	(3)
Currency translation differences	25	–	–	–	258	–	258	–	258
Total comprehensive income for the year		–	–	–	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)	–	(19)
Transactions with owners in their capacity as owners									
Share-based compensation	27	–	–	–	2,349	–	2,349	–	2,349
Exercise of share options and vesting of restricted share units ("**RSUs**")	24	–	29	–	–	–	29	–	29
Appropriations to statutory reserves	25	–	–	–	8	(8)	–	–	–
Repurchase of shares (to be canceled)		–	–	(5,008)	–	–	(5,008)	–	(5,008)
Cancelation of shares	24	–	(4,755)	4,755	–	–	–	–	–
Total transactions with owners in their capacity as owners		–	(4,726)	(253)	2,357	(8)	(2,630)	–	(2,630)
Balance at December 31, 2024		–	268,733	(341)	35,776	(242,164)	62,004	20	62,024

Consolidated Statement of Changes in Equity

	Note	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
		Attributable to equity holders of the Company							
Balance at January 1, 2023		—	274,473	—	29,239	(263,882)	39,830	8	39,838
Profit for the year		—	—	—	—	6,396	6,396	3	6,399
Other comprehensive income									
Share of other comprehensive income of investments accounted for using the equity method	19	—	—	—	14	—	14	—	14
Currency translation differences	25	—	—	—	348	—	348	—	348
Total comprehensive income for the year		—	—	—	362	6,396	6,758	3	6,761
Share of other changes in net assets of investments accounted for using the equity method	19	—	—	—	7	—	7	—	7
Transactions with owners in their capacity as owners									
Share-based compensation	27	—	—	—	3,570	—	3,570	—	3,570
Exercise of share options and vesting of RSUs	24	—	199	—	—	—	199	—	199
Appropriations to statutory reserves	25	—	—	—	5	(5)	—	—	—
Repurchase of shares (to be canceled)		—	—	(1,301)	—	—	(1,301)	—	(1,301)
Cancelation of shares	24	—	(1,213)	1,213	—	—	—	—	—
Total transactions with owners in their capacity as owners		—	(1,014)	(88)	3,575	(5)	2,468	—	2,468
Balance at December 31, 2023		—	273,459	(88)	33,183	(257,491)	49,063	11	49,074

The notes on pages 234 to 320 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

	Note	Year ended December 31, 2024 RMB'Million	2023 RMB'Million
Cash flows from operating activities			
Cash generated from operations	*33(a)*	**30,808**	22,004
Income tax paid		**(1,021)**	(1,223)
Net cash generated from operating activities		**29,787**	20,781
Cash flows from investing activities			
Purchase of property, equipment and intangible assets		**(8,063)**	(4,897)
Proceeds from disposal of property, equipment and intangible assets		**17**	10
Purchase of investments in financial assets at fair value through profit or loss		**(96,665)**	(61,263)
Proceeds from disposal of investments in financial assets at fair value through profit or loss		**77,882**	48,101
Purchase of investments in other financial assets at amortized cost		**—**	(520)
Proceeds from disposal of investments in other financial assets at amortized cost		**984**	765
Purchase of time deposits with initial terms over three months		**(24,103)**	(12,299)
Proceeds from maturity of time deposits with initial terms over three months		**12,489**	9,926
Interest income received		**772**	259
Repayment of loans by a third party		**10**	—
Withdraw of restricted cash		**—**	53
Net cash used in investing activities		**(36,677)**	(19,865)

Consolidated Statement of Cash Flows

		Year ended December 31,	
	Note	2024 *RMB'Million*	2023 *RMB'Million*
Cash flows from financing activities			
Proceeds from borrowings		12,379	—
Repayments of borrowings and related interests		(1,454)	—
Payments for principal elements of lease and related interests		(3,228)	(3,451)
Proceeds from exercise of share options and vesting of RSUs		29	219
Proceeds received under notes payable transaction		14,892	7,524
Proceeds received from notes receivable factoring to banks		9,734	3,735
Payments for principal of matured notes and related interests		(20,754)	(8,091)
Payments for shares repurchase		(4,884)	(1,300)
Net cash generated from/(used in) financing activities		6,714	(1,364)
Net decrease in cash and cash equivalents		(176)	(448)
Cash and cash equivalents at the beginning of the year	*23(a)*	12,905	13,274
Effects of exchange rate changes on cash and cash equivalents		(32)	79
Cash and cash equivalents at the end of the year	*23(a)*	12,697	12,905

The notes on pages 234 to 320 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, Ugland 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**"), provides online marketing services, live streaming services 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 International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board ("**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 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.

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 amendments are mandatory for the first time for the Group's financial year beginning on January 1, 2024 and are applicable for the Group:

- Classification of Liabilities as Current or Non-current — Amendments to IAS 1
- Lease Liability in a Sale and Leaseback — Amendments to IFRS 16
- Non-current Liabilities with Covenants — Amendments to IAS 1
- Supplier Finance Arrangements — Amendments to IAS 7 and IFRS 7

The adoption of these amendments does not have significant impact on the results and the financial position of the Group.

(i) Supplier Finance Arrangements — Amendments to IAS 7 and IFRS 7

As a result of the adoption of the amendments to IAS 7 and IFRS 7, the Group provided disclosures for liabilities under notes payable arrangements as well as the associated cash flows in Note 30 and Note 33(c).

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)

(b) New standards and amendments not yet adopted

Certain new standards and amendments as set out below have been issued but are not yet effective for the financial year beginning on January 1, 2024 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.

New standards and amendments	Effective for financial years beginning on or after
Lack of Exchangeability — Amendments to IAS 21	January 1, 2025
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

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	3–4 years
• Office equipment	3–5 years
• Leasehold improvements	The shorter of the term of the lease or the estimated useful lives of the assets

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.1 Summary of material accounting policies (Continued)

2.1.2 Property and equipment (Continued)

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.

A 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.

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.

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.1 Summary of material accounting policies (Continued)

2.1.3 Intangible assets (Continued)

(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 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).

(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, 2024 and 2023.

(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.

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.1 Summary of material accounting policies (Continued)

2.1.3 Intangible assets (Continued)

(d) Amortization methods and periods (Continued)

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

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 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.1 Summary of material accounting policies (Continued)

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**").

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(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.

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

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 rate 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 rate method.

- 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 in the consolidated income statement and presented net 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 as applicable.

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)

(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.

(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 debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.1 Summary of material accounting policies (Continued)

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 21 for further information about the Group's trade receivables and Note 2.1.5 (d) for a description of the Group's impairment policies.

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 pre-payment 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 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.1 Summary of material accounting policies (Continued)

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 to unused tax losses.

(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 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.

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.1 Summary of material accounting policies (Continued)

2.1.8 Current and deferred income tax (Continued)

(b) Deferred income tax (Continued)

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 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.

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. The fair value of the services received in exchange for the grant of the equity instruments is recognized as an expense in the consolidated income statement.

(a) 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.

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.1 Summary of material accounting policies (Continued)

2.1.9 Share-based compensation (Continued)

(b) 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.

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 period and grant date.

2.1.10 Revenue recognition

The Group derives revenue from online marketing services, sales of virtual items on its live streaming platform 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.

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

(i) Online marketing services

The Group offers diversified online marketing solutions, primarily including performance-based marketing service 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 contracted 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.

To fulfill contracts with certain customers, the Group enters into cooperation agreements with third party platforms and places the marketing contents of the Group's customers displayed on third party platforms. For above services mentioned, the Group is the principal for fulfilling these marketing service contracts as it has obtained controls over third party platform services through cooperation contracts and, in some cases, 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 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.

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 whereby users can enjoy live stream performances provided by the live streamers (the "**streamers**") and interact with the streamers 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. The Group generates revenues from the sales of virtual items on the platform, and viewers are the Group's customers. The virtual items are produced and delivered by the Group. Sales of virtual items are recognized as revenues when the virtual items 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 between the Group and streamers.

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. The prices of virtual items are set by the Group. 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 include revenues from e-commerce business, online games and other value-added services. For the e-commerce business, the Group allows merchants to promote and sell goods on its platform and charges commissions on 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 revenues related to e-commerce business are 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 satisfied the performance obligations under the service contracts.

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 at its own discretion provides 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 customers of the Group.

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.

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.

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 twelve 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 a straight-line basis. 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 and all leases of low-value assets are 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. Low-value assets comprise of lease of certain office spaces.

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
- 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.

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of other accounting policies (Continued)

2.2.1 Subsidiaries (Continued)

(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.

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 calculated the amount of 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.

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, the RMB is the 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".

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.

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 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.

2.2.9 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.

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of other accounting policies (Continued)

2.2.10 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.

2.2.11 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 8 below.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes, see Note 11 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).

2.2.12 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.

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

2.2 Summary of other accounting policies (Continued)

2.2.13 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, 2024, 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. 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, 2024, 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 28. 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, 2024 would have been approximately RMB269 million lower/higher (2023:Nil), as a result of foreign exchange gains or losses on translation of the bank loans and related proceeds (2023: Nil) denominated in RMB. The above sensitivity analysis did not consider any influence of economic hedge.

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 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, 2024, the aggregate notional principal amounts of these outstanding contracts were USD1,230 million (December 31, 2023: Nil). 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, 2024 would have been RMB27.2 million lower/higher (2023: Nil).

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.

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 placed with 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.

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 as of December 31, 2024 and 2023 were determined as follows:

	As of December 31,	
	2024	2023
	RMB	*RMB*
	in millions, except for percentages	
Expected loss rate	**2.24%**	2.09%
Gross carrying amount	**6,827**	6,595
Loss allowance provision	**153**	138

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 a receivable 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.

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 as of December 31, 2024 and 2023 were determined as follows:

	As of December 31,	
	2024	2023
	RMB	*RMB*
	in millions, except for percentages	
Expected loss rate	**3.11%**	2.03%
Gross carrying amount	**1,574**	2,270
Loss allowance provision	**49**	46

(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.

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*
As of December 31, 2024					
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
Total	49,134	3,665	14,538	1,221	68,558
Derivative financial instruments					
— Gross settled foreign currency forwards					
(Inflow)	—	—	(4,260)	—	(4,260)
Outflow	—	—	4,396	—	4,396
Total	—	—	136	—	136

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*
As of December 31, 2023					
Non-derivative financial instruments					
— Accounts payables	23,601	—	—	—	23,601
— Other payables and accruals (excluding non-financial liabilities)	11,363	—	—	—	11,363
— Lease liabilities	3,388	3,330	4,869	1,505	13,092
Total	38,352	3,330	4,869	1,505	48,056

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 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 or repurchase the Company's shares. In the opinion of the directors of the Company, the Group's capital risk is low. As a result, capital risk is not significant for the Group and measurement of capital management is not a tool currently used in the internal management reporting procedures of the Group.

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 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation (Continued)

(a) Fair value hierarchy (Continued)

(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, 2024:

	Level 1 *RMB'Million*	Level 2 *RMB'Million*	Level 3 *RMB'Million*	Total *RMB'Million*
Assets				
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
	86	529	50,865	51,480
Liabilities				
Financial liabilities at fair value through profit or loss				
— Derivative financial instruments	—	129	—	129
	—	129	—	129

The following table presents the Group's financial assets that are measured at fair value at December 31, 2023:

	Level 1 *RMB'Million*	Level 2 *RMB'Million*	Level 3 *RMB'Million*	Total *RMB'Million*
Assets				
Financial assets at fair value through profit or loss				
— Investments in listed entities	60	—	—	60
— Investments in unlisted entities	—	—	2,609	2,609
— Wealth management products and others	—	333	27,371	27,704
	60	333	29,980	30,373

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation (Continued)

(a) Fair value hierarchy (Continued)

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.

Level 3 instruments of the Group's assets mainly include investments in unlisted entities (Note 20) and investments in wealth management products and others (excluding investments in perpetual bonds) (Note 20).

(b) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments 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, market multiples, etc.

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, 2024 and 2023.

	Financial assets at fair value through profit or loss *RMB'Million*
At January 1, 2024	**29,980**
Additions	**96,751**
Disposals	**(77,769)**
Change in fair value through profit or loss*	**1,647**
Currency translation differences	**256**
At December 31, 2024	**50,865**
* Includes unrealized gains recognized in the consolidated income statement attributable to balances held at the end of the year	**1,091**

	Financial assets at fair value through profit or loss *RMB'Million*
At January 1, 2023	16,189
Additions	61,263
Disposals	(47,997)
Change in fair value through profit or loss*	421
Currency translation differences	104
At December 31, 2023	29,980
* Includes unrealized gains recognized in the consolidated income statement attributable to balances held at the end of the year	19

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation (Continued)

(c) Financial instruments in level 3 (Continued)

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.

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,		
	2024	2023		**2024**	2023	
	RMB' Million	*RMB' Million*				
Investments in unlisted entities	**2,719**	2,609	Expected volatility	**41%-77%**	37%-83%	The higher the expected volatility, the lower the fair value
			Discount for lack of marketability ("**DLOM**")	**6%-14%**	6%-14%	The higher the DLOM, the lower the fair value
			Risk-free rate	**1.20%-4.25%**	2.30%-4.81%	The higher the risk-free rate, the lower the fair value
Wealth management products and others	**48,146**	27,371	Expected rate of return	**2.25%-8.68%**	2.73%-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 floating 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.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation (Continued)

The following table presents the higher/(lower) of the profit before income tax for the years ended December 31, 2024 and 2023 if the fair values of investments in listed and unlisted entities held by the Group had been 5% higher/lower.

	Year ended December 31,	
	2024	2023
	RMB'Million	*RMB'Million*
5% higher	**140**	133
5% lower	**(140)**	(133)

There were no transfers between level 1, 2 and 3 of fair value hierarchy classifications during the years ended December 31, 2024 and 2023.

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:

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 27).

4 CRITICAL ESTIMATES AND JUDGMENTS (CONTINUED)

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, 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.

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 had been 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 CRITICAL ESTIMATES AND JUDGMENTS (CONTINUED)

4.6 Principal versus agent considerations

Determining whether the Group is acting as a principal or as an agent when a third-party is 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.

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 result would present revenues, cost of revenues and operating expenses, and operating profit or loss for each segment, which is in line with CODM's performance review. There were no material inter-segment sales during the years ended December 31, 2024 and 2023.

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

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.

5 SEGMENT INFORMATION (CONTINUED)

5.1 Description of segments and principal activities (Continued)

	Year ended December 31, 2024			
	Domestic *RMB'Million*	Overseas *RMB'Million*	Unallocated items *RMB'Million*	Total *RMB'Million*
Revenues	**122,202**	**4,696**	**—**	**126,898**
Cost of revenues and operating expenses	**(105,847)**	**(5,630)**	**—**	**(111,477)**
Unallocated items	**—**	**—**	**(134)**	**(134)**
Operating profit/(loss)	**16,355**	**(934)**	**(134)**	**15,287**

	Year ended December 31, 2023			
	Domestic *RMB'Million*	Overseas *RMB'Million*	Unallocated items *RMB'Million*	Total *RMB'Million*
Revenues	111,186	2,284	—	113,470
Cost of revenues and operating expenses	(99,784)	(5,073)	—	(104,857)
Unallocated items	—	—	(2,182)	(2,182)
Operating profit/(loss)	11,402	(2,789)	(2,182)	6,431

5.2 Segment assets

As of December 31, 2024 and 2023, 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.

6 REVENUES

The breakdown of revenues is as follows:

	Year ended December 31,	
	2024	2023
	RMB'Million	*RMB'Million*
Online marketing services	**72,419**	60,304
Live streaming	**37,061**	39,054
Other services	**17,418**	14,112
	126,898	113,470

The breakdown of revenues for timing of revenue recognition is as follows:

	Year ended December 31,	
	2024	2023
	RMB'Million	*RMB'Million*
Revenue recognized at a point in time	**123,547**	110,808
Revenue recognized over time	**3,351**	2,662
	126,898	113,470

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, 2024 and 2023.

7 OTHER INCOME

	Year ended December 31,	
	2024	2023
	RMB'Million	*RMB'Million*
Government grants and value-added tax preferences	**497**	923
Others	**36**	55
	533	978

8 OTHER GAINS, NET

	Year ended December 31,	
	2024	2023
	RMB'Million	*RMB'Million*
Net fair value gains on financial assets at fair value through profit or loss		
— Investments in listed and unlisted entities	**(23)**	(302)
— Wealth management products and others	**1,707**	686
Net gains on disposal of property and equipment, intangible assets and right-of-use assets	**98**	87
Net foreign exchange (losses)/gains	**(68)**	8
Others	**(32)**	(69)
	1,682	410

9 EXPENSES BY NATURE

	Year ended December 31,	
	2024	2023
	RMB'Million	*RMB'Million*
Revenue sharing costs and related taxes	**36,277**	34,957
Promotion and marketing expenses	**38,652**	33,802
Employee benefit expenses *(Note 10)*	**17,297**	18,334
Bandwidth expenses and server custody costs	**5,761**	5,987
Depreciation of property and equipment	**4,064**	3,989
Depreciation of right-of-use assets *(Note a)*	**2,972**	3,065
Amortization of intangible assets	**104**	148
Payment processing costs	**2,819**	2,569
Outsourcing and other labor costs	**1,349**	1,147
Auditor's remuneration		
— Audit services	**30**	30
— Non-audit services	**3**	12
Other professional fees	**248**	221
Tax surcharges	**1,036**	710
Credit loss allowances on financial assets	**52**	93
Others *(Note b)*	**3,162**	3,363
	113,826	108,427

Note a: The depreciation of right-of-use assets include 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.

10 EMPLOYEE BENEFIT EXPENSES

	Year ended December 31,	
	2024	2023
	RMB'Million	*RMB'Million*
Wages, salaries and bonuses	**12,102**	12,093
Share-based compensation expenses	**2,349**	3,570
Pension costs-defined contribution plans *(Note a)*	**1,032**	969
Other social security costs, housing benefits and other employee benefits	**1,814**	1,702
	17,297	18,334

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, 2024 and 2023.

(a) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year ended December 31, 2024 include one director (2023: one). The emoluments to the five highest paid individuals for the years ended December 31, 2024 and 2023 are as follows:

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Wages and salaries	**21,949**	20,727
Discretionary bonuses	**23,590**	18,566
Share-based compensation expenses	**383,236**	498,229
Pension costs-defined contribution plans	**239**	269
Other social security costs, housing benefits and other employee benefits	**370**	414
	429,384	538,205

10 EMPLOYEE BENEFIT EXPENSES (CONTINUED)

(a) Five highest paid individuals (Continued)

The emoluments fell within the following bands:

	Number of individuals Year ended December 31, **2024**	 2023
HK$87,500,001 to HK$88,000,000	**1**	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$110,500,001 to HK$111,000,000	**—**	1
HK$113,000,001 to HK$113,500,000	**1**	—
HK$128,000,001 to HK$128,500,000	**—**	1
HK$133,500,001 to HK$134,000,000	**—**	1
HK$137,000,001 to HK$137,500,000	**—**	1
	5	5

All of these individuals have not received any emolument from the Group as an inducement to join or upon joining the Group, and have not received any compensation for loss of office for the years ended December 31, 2024 and 2023.

10 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, 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*
Chairman							
CHENG Yixiao *(Note a)*	—	4,853	4,500	70,358	71	94	79,876
Executive Director							
SU Hua *(Note b)*	—	2,976	—	—	71	94	3,141
Non-executive Directors							
LI Zhaohui	—	—	—	—	—	—	—
ZHANG Fei	—	—	—	—	—	—	—
LIN Frank *(Note c)*	—	—	—	—	—	—	—
WANG Huiwen	417	—	—	—	—	—	417
Independent non-executive Directors							
HUANG Sidney Xuande	695	—	—	—	—	—	695
MA Yin	677	—	—	—	—	—	677
XIAO Xing	687	—	—	—	—	—	687
Total	2,476	7,829	4,500	70,358	142	188	85,493

10 EMPLOYEE BENEFIT EXPENSES (CONTINUED)

(b) Benefits and interests of directors (Continued)

For the year ended December 31, 2023:

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*
Chairman							
CHENG Yixiao *(Note a)*	—	4,864	4,500	114,208	63	89	123,724
Executive Director							
SU Hua *(Note b)*	—	5,046	—	—	63	89	5,198
Non-executive Directors							
LI Zhaohui	—	—	—	—	—	—	—
ZHANG Fei	—	—	—	—	—	—	—
LIN Frank *(Note c)*	—	—	—	—	—	—	—
WANG Huiwen *(Note d)*	263	—	—	—	—	—	263
SHEN Dou *(Note e)*	—	—	—	—	—	—	—
Independent non-executive Directors							
HUANG Sidney Xuande	574	—	—	—	—	—	574
MA Yin	574	—	—	—	—	—	574
XIAO Xing *(Note f)*	203	—	—	—	—	—	203
WANG Huiwen *(Note d)*	180	—	—	—	—	—	180
Total	1,794	9,910	4,500	114,208	126	178	130,716

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, of which the exercise prices were all above HK$55. Under IFRS 2, the accelerated approach is required to recognize compensation expenses for equity awards. For detailed grant information, please refer to the Company's announcements dated March 30, 2023 and April 14, 2022.

Note b: Mr. SU Hua waived his discretionary bonus entitlement from the Company for the years ended December 31, 2024 and 2023.

Note c: Mr. LIN Frank resigned with effect from January 22, 2025.

Note d: Mr. WANG Huiwen was re-designated from an independent non-executive Director to a non-executive Director with effect from May 15, 2023.

Note e: Dr. SHEN Dou resigned with effect from September 13, 2023.

Note f: Prof. XIAO Xing was appointed with effect from September 13, 2023.

(i) Benefits and interests of directors

There is no other benefits and interests offered to directors except above.

10 EMPLOYEE BENEFIT EXPENSES (CONTINUED)

(b) Benefits and interests of directors (Continued)

(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, 2024 and 2023.

(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, 2024 and 2023.

(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, 2024 and 2023.

(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, 2024 and 2023.

(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, 2024 and 2023.

11 FINANCE INCOME, NET

	Year ended December 31,	
	2024	2023
	RMB'Million	*RMB'Million*
Finance income:		
Interest income from bank deposits	**1,071**	1,116
	1,071	1,116
Finance expense:		
Interest expense from lease liabilities	**(513)**	(495)
Interest expense from borrowings	**(187)**	—
Others	**(135)**	(82)
	(835)	(577)
Finance income, net	**236**	539

12 SUBSIDIARIES

The Company's major subsidiaries (including controlled and structured entities) during the year ended December 31, 2024 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, 2024	Principal activities
Subsidiaries					
Directly held:					
Fortune Ever Global Limited	Hong Kong, limited liability company	March 25, 2014	HKD10,000	100%	Investment holding and investment
Cosmic Blue Investments Limited	British Virgin Islands, limited liability company	March 16, 2017	—	100%	Investment holding and investment
Indirectly held:					
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
Structured entities *(Note a)*					
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

* Registered as wholly foreign-owned enterprise under PRC law.

Note a: As described in Note 2.2.1, 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 registered owners, 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.

13 INCOME TAX

(a) Cayman Islands

The Company is incorporated as an exempted company with limited liability under the Companies Law of the Cayman Islands and is not subject to tax on income or capital gains. Additionally, the Cayman Islands do not impose a withholding tax on payments of dividends to shareholders. The Cayman Islands are 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 International Business Companies Acts of the BVI are exempted from BVI income tax.

(c) Hong Kong Income Tax

Entities incorporated in Hong Kong are subject to Hong Kong profits tax of which the tax rate is 8.25% for assessable profits on the first HK$2 million and 16.5% for any assessable profits in excess of HK$2 million.

(d) PRC Enterprise Income Tax

The income tax provision of the Group in respect of its operations in Mainland China was subject to statutory tax rate of 25% on the assessable profits for the years ended December 31, 2024 and 2023, based on the existing legislation, interpretation and practices in respect thereof.

Certain subsidiaries of the Group in Mainland China 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, 2024 and 2023. 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 Mainland China 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.

13 INCOME TAX (CONTINUED)

(e) Withholding tax in Mainland China ("WHT")

According to applicable tax regulations prevailing in Mainland China, distribution of profits earned by companies in Mainland China since January 1, 2008 to foreign investors is subject to withholding tax of 5% or 10%, depending on the country of incorporation of the foreign investor, upon the distribution of profits to overseas-incorporated immediate holding companies.

The Group did not have distributable retained earnings in Mainland China, so no deferred tax liability related to WHT on undistributed earnings was accrued as of the end of each reporting period.

The income tax expenses of the Group during the years ended December 31, 2024 and 2023 are analyzed as follows:

	Year ended December 31,	
	2024	2023
	RMB'Million	*RMB'Million*
Current income tax	**(651)**	(1,508)
Deferred income tax *(Note 32)*	**501**	1,018
Income tax expenses	**(150)**	(490)

13 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 Mainland China, being the tax rate applicable to the majority of consolidated entities as follows:

	Year ended December 31,	
	2024	2023
	RMB'Million	*RMB'Million*
Profit before income tax	**15,494**	6,889
Tax calculated at statutory income tax rate of 25% in Mainland China	**(3,874)**	(1,722)
Tax effects of:		
— Effect of different tax rates in other jurisdictions	**48**	(226)
— Effect of preferential income tax rates of certain subsidiaries	**630**	486
— Deductible temporary differences and tax losses for which no deferred tax assets were recognized	**(432)**	(800)
— Expenses not deductible for income tax purposes	**(142)**	(259)
— Utilization of deductible temporary differences and tax losses for which no deferred tax assets were previously recognized	**492**	50
— Super deduction for research and development expenses	**1,287**	956
— Income not subject to tax	**167**	12
— Recognition of deferred income tax assets previously unrecognized	**1,508**	809
— Others	**166**	204
	(150)	(490)

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. Since the Pillar Two legislation was not effective in any of the jurisdictions the Group' entities operate at the reporting date, the Group had no Pillar Two related current tax exposure for the year ended December 31, 2024. The Group applies the IAS 12 exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income tax.

As of December 31, 2024, the Group mainly operated in Mainland China, Hong Kong and Singapore. Given Pillar Two legislation implementation is scheduled from January 1, 2025 in Singapore and Hong Kong, the Group is in the process of assessing its exposure to the Pillar Two legislation for when it comes into effect. Under the legislation, it exposes a top-up tax on excess profits arising in a jurisdiction whenever its effective tax rate determined by the Pillar Two legislation on a jurisdictional basis is below a minimum rate of 15%.

Based on management's assessment, the application of the Pillar Two legislation is not expected to have a material impact to the Group once effective in 2025.

14 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,	
	2024	2023
Earnings attributable to equity holders of the Company *(RMB millions)*	**15,335**	6,396
Weighted average number of ordinary shares in issue *(million shares)*	**4,305**	4,314
Basic earnings per share *(expressed in RMB per share)*	**3.56**	1.48

(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, 2024 and 2023, the Company had two categories of potential ordinary shares: share options and RSUs.

	Year ended December 31,	
	2024	2023
Earnings attributable to equity holders of the Company *(RMB millions)*	**15,335**	6,396
Weighted average number of ordinary shares in issue *(million shares)*	**4,305**	4,314
Adjustments for share options and RSUs *(million shares)*	**101**	127
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share *(million shares)*	**4,406**	4,441
Diluted earnings per share *(expressed in RMB per share)*	**3.48**	1.44

15 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
At January 1, 2024						
Cost	3,039	24,153	101	965	102	28,360
Accumulated depreciation	(282)	(15,344)	(54)	(324)	—	(16,004)
Net book amount	2,757	8,809	47	641	102	12,356
Year ended December 31, 2024						
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)
Closing net book amount	2,656	11,415	39	522	199	14,831
At December 31, 2024						
Cost	3,087	29,975	109	904	199	34,274
Accumulated depreciation	(431)	(18,560)	(70)	(382)	—	(19,443)
Net book amount	2,656	11,415	39	522	199	14,831
At January 1, 2023						
Cost	2,741	21,487	76	574	824	25,702
Accumulated depreciation	(138)	(11,956)	(39)	(354)	—	(12,487)
Net book amount	2,603	9,531	37	220	824	13,215
Year ended December 31, 2023						
Opening net book amount	2,603	9,531	37	220	824	13,215
Currency translation differences	—	8	—	1	—	9
Additions	—	2,927	34	41	178	3,180
Transfers	298	—	—	602	(900)	—
Disposals	—	(14)	(2)	(43)	—	(59)
Depreciation charge	(144)	(3,643)	(22)	(180)	—	(3,989)
Closing net book amount	2,757	8,809	47	641	102	12,356
At December 31, 2023						
Cost	3,039	24,153	101	965	102	28,360
Accumulated depreciation	(282)	(15,344)	(54)	(324)	—	(16,004)
Net book amount	2,757	8,809	47	641	102	12,356

15 PROPERTY AND EQUIPMENT (CONTINUED)

Depreciation expenses have been charged to the consolidated income statement as follows:

	Year ended December 31,	
	2024	2023
	RMB'Million	*RMB'Million*
Cost of revenues	**3,745**	3,644
Selling and marketing expenses	**41**	50
Administrative expenses	**50**	52
Research and development expenses	**228**	243
	4,064	3,989

16 LEASE

(a) Items recognized in the consolidated balance sheet

	As of December 31,	
	2024	2023
	RMB'Million	*RMB'Million*
Right-of-use assets		
Internet data centers	**7,131**	8,261
Office buildings	**1,733**	2,111
Land use rights	**27**	27
	8,891	10,399

	As of December 31,	
	2024	2023
	RMB'Million	*RMB'Million*
Lease liabilities		
Current	**3,671**	3,327
Non-current	**6,765**	8,405
	10,436	11,732

Additions and modifications to the right-of-use assets for the year ended December 31, 2024 was approximately RMB2.5 billion (2023: RMB4.2 billion). For details, please refer to Note 33(c).

16 LEASE (CONTINUED)

(b) Items recognized in the consolidated income statement and consolidated statement of cash flows

	Year ended December 31,	
	2024	2023
	RMB'Million	*RMB'Million*
Depreciation charge of right-of-use assets		
— Internet data centers	**2,588**	2,546
— Office buildings	**383**	518
— Land use rights	**1**	1
Interest expense (included in finance income, net)	**513**	495
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)	**56**	127
	3,541	3,687

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, 2024 was approximately RMB3.2 billion (2023: RMB3.5 billion).

17 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*
At January 1, 2024						
Cost	845	706	16	178	10	1,755
Accumulated amortization and impairment	—	(538)	(9)	(125)	(10)	(682)
Net book amount	845	168	7	53	—	1,073
Year ended December 31, 2024						
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)
Closing net book amount	845	176	6	32	—	1,059
At December 31, 2024						
Cost	845	471	16	134	10	1,476
Accumulated amortization and impairment	—	(295)	(10)	(102)	(10)	(417)
Net book amount	845	176	6	32	—	1,059
At January 1, 2023						
Cost	845	662	16	124	10	1,657
Accumulated amortization and impairment	—	(431)	(8)	(86)	(9)	(534)
Net book amount	845	231	8	38	1	1,123
Year ended December 31, 2023						
Opening net book amount	845	231	8	38	1	1,123
Additions	—	44	—	54	—	98
Amortization charge	—	(107)	(1)	(39)	(1)	(148)
Closing net book amount	845	168	7	53	—	1,073
At December 31, 2023						
Cost	845	706	16	178	10	1,755
Accumulated amortization and impairment	—	(538)	(9)	(125)	(10)	(682)
Net book amount	845	168	7	53	—	1,073

17 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, 2024 and 2023. 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, 2024 and 2023 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, 2024 and 2023. 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,	
	2024	2023
	RMB'Million	*RMB'Million*
Cost of revenues	**56**	88
Administrative expenses	**26**	26
Research and development expenses	**22**	34
	104	148

18 FINANCIAL INSTRUMENTS BY CATEGORY

The detailed information of financial instruments by category as of December 31, 2024 and 2023 is as follows:

	As of December 31,	
	2024	2023
	RMB'Million	*RMB'Million*
Assets as per consolidated balance sheet		
Financial assets at fair value through profit or loss	**51,480**	30,373
Financial assets measured at amortized cost:		
— Trade receivables	**6,674**	6,457
— Prepayments, other receivables and other current assets (excluding non-financial assets)	**1,405**	2,089
— Other financial assets at amortized cost	**295**	1,233
— Other non-current assets	**120**	135
— Time deposits	**31,378**	19,639
— Restricted cash	**47**	128
— Cash and cash equivalents	**12,697**	12,905
Total	**104,096**	72,959

	As of December 31,	
	2024	2023
	RMB'Million	*RMB'Million*
Liabilities as per consolidated balance sheet		
Financial liabilities at fair value through profit or loss	**129**	—
Financial liabilities measured at amortized cost:		
— Accounts payables	**27,470**	23,601
— Other payables and accruals (excluding non-financial liabilities)	**17,523**	11,363
— Borrowings	**11,100**	—
— Lease liabilities	**10,436**	11,732
Total	**66,658**	46,696

19 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	As of December 31,	
	2024	2023
	RMB'Million	*RMB'Million*
Investments in an associate accounted for using the equity method — Listed entity	**166**	214

	Year ended December 31,	
	2024	2023
	RMB'Million	*RMB'Million*
At the beginning of the year	**214**	268
Share of loss	**(29)**	(81)
Currency translation differences	**3**	6
Share of other comprehensive (loss)/income	**(3)**	14
Share of other changes in net assets	**(19)**	7
At the end of the year	**166**	214

During the years ended December 31, 2024 and 2023, there were no indicators for impairment of the investment, so no impairment loss was recognized.

20 INVESTMENTS

	As of December 31,	
	2024	2023
	RMB'Million	*RMB'Million*
Non-current assets		
Financial assets at fair value through profit or loss		
— Investments in unlisted entities	**2,719**	2,609
— Investment in a listed entity	**80**	52
— Wealth management products and others	**21,338**	2,584
— Derivative financial instruments	**293**	—
	24,430	5,245
Other financial assets at amortized cost *(Note a)*	**62**	283
	24,492	5,528
Current assets		
Financial assets at fair value through profit or loss		
— Investment in a listed entity	**6**	8
— Wealth management products and others	**27,044**	25,120
	27,050	25,128
Other financial assets at amortized cost *(Note a)*	**233**	950
	27,283	26,078
Total	**51,775**	31,606

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 rate 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,	
	2024	2023
	RMB'Million	*RMB'Million*
At the beginning of the year	**30,373**	16,713
Additions	**97,012**	61,263
Disposals	**(77,882)**	(48,101)
Change in fair value through profit or loss	**1,713**	384
Currency translation differences	**264**	114
At the end of the year	**51,480**	30,373

21 TRADE RECEIVABLES

The detailed information of trade receivables is as follows:

	As of December 31,	
	2024	2023
	RMB'Million	*RMB'Million*
Trade receivables from contracts with customers	**6,827**	6,595
Less: credit loss allowances	**(153)**	(138)
	6,674	6,457

The Group generally grants a credit period of 90 days to its customers. Aging analysis of trade receivables based on invoice date is as follows:

	As of December 31,	
	2024	2023
	RMB'Million	*RMB'Million*
Up to 3 months	**6,021**	5,816
Over 3 months	**806**	779
	6,827	6,595

Movements on the Group's allowance for credit loss of trade receivables are as follows:

	Year ended December 31,	
	2024	2023
	RMB'Million	*RMB'Million*
At the beginning of the year	**(138)**	(45)
Additional provision	**(15)**	(93)
At the end of the year	**(153)**	(138)

22 PREPAYMENTS, OTHER RECEIVABLES AND OTHER CURRENT ASSETS

The detailed information of prepayments, other receivables and other current assets as of December 31, 2024 and 2023 is as follows:

	As of December 31,	
	2024	2023
	RMB'Million	*RMB'Million*
Recoverable VAT and other tax prepayments	**1,944**	1,739
Receivables from third parties	**1,192**	1,818
Prepaid promotion and marketing fees	**582**	659
Prepayments for content and other services	**551**	350
Deposits	**138**	161
Others	**288**	206
	4,695	4,933
Less: credit loss allowances	**(49)**	(14)
	4,646	4,919

23 CASH AND BANK BALANCES

(a) Cash and cash equivalents

	As of December 31,	
	2024	2023
	RMB'Million	*RMB'Million*
Cash at bank and held in other financial institutions	**11,816**	9,446
Time deposits with initial terms within three months	**881**	3,459
	12,697	12,905

23 CASH AND BANK BALANCES (CONTINUED)

(a) Cash and cash equivalents (Continued)

Cash and cash equivalents are denominated in the following currencies:

	As of December 31,	
	2024	2023
	RMB'Million	*RMB'Million*
RMB	**10,934**	7,609
USD	**1,488**	4,432
HKD	**111**	744
Others	**164**	120
	12,697	12,905

(b) Restricted cash

Restricted cash are denominated in the following currencies:

	As of December 31,	
	2024	2023
	RMB'Million	*RMB'Million*
RMB	**47**	126
USD	**—**	2
	47	128

(c) Time deposits

Time deposits are denominated in the following currencies:

	As of December 31,	
	2024	2023
	RMB'Million	*RMB'Million*
RMB	**28,178**	14,706
USD	**3,189**	4,580
HKD	**—**	342
Others	**11**	11
	31,378	19,639

24 SHARE CAPITAL

Authorized:

As of December 31, 2024 and 2023, the authorized share capital 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*
At January 1, 2023	4,294	—	—	274,473
Exercise of share options and vesting of RSUs	62	—	—	199
Cancelation of shares	(23)	—	—	(1,213)
At December 31, 2023	4,333	—	—	273,459
Exercise of share options and vesting of RSUs	**61**	**—**	**—**	**29**
Cancelation of shares	**(117)**	**—**	**—**	**(4,755)**
At December 31, 2024	**4,277**	**—**	**—**	**268,733**

25 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 (*Note a*)	Statutory surplus reserve (*Note b*)	Investments in associates	Others	Total
	RMB'Million	*RMB'Million*	*RMB'Million*	*RMB'Million*	*RMB'Million*	*RMB'Million*	*RMB'Million*
At January 1, 2024	(364)	21,357	11,948	265	70	(93)	33,183
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
At December 31, 2024	(364)	23,706	12,206	273	48	(93)	35,776
At January 1, 2023	(364)	17,787	11,600	260	49	(93)	29,239
Share-based compensation	—	3,570	—	—	—	—	3,570
Currency translation differences	—	—	348	—	—	—	348
Share of other comprehensive income of investments accounted for using the equity method	—	—	—	—	14	—	14
Share of other changes in net assets of investments accounted for using the equity method	—	—	—	—	7	—	7
Appropriations to statutory reserves	—	—	—	5	—	—	5
At December 31, 2023	(364)	21,357	11,948	265	70	(93)	33,183

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 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 needs not to 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.

26 DIVIDENDS

No dividends have been paid or declared by the Company during the years ended December 31, 2024 and 2023.

27 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 requirements.

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.

27 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 *HKD*
Outstanding as of 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 as of December 31, 2024	**34,790,022**	**19.28**
Exercisable as of December 31, 2024	**33,006,371**	**20.31**

	Number of share options	Weighted average exercise price per share option *HKD*
Outstanding as of January 1, 2023	88,120,752	10.32
Forfeited during the year	(8,545,105)	19.88
Exercised during the year	(22,084,289)	0.52
Outstanding as of December 31, 2023	57,491,358	12.66
Exercisable as of December 31, 2023	44,417,778	16.29

The weighted average remaining contract life for outstanding share options was 4.57 years and 5.78 years as of December 31, 2024 and 2023, respectively. The weighted average price of the shares at the time these share options were exercised was HKD48.86 per share during the year ended December 31, 2024.

27 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.

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.

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 *HKD*
Outstanding as of January 1, 2024	**85,934,274**	**67.34**
Forfeited during the year	**(19,513,619)**	**74.25**
Exercised during the year	**(163,600)**	**53.69**
Outstanding as of December 31, 2024	**66,257,055**	**65.34**
Exercisable as of December 31, 2024	**48,440,935**	**65.94**

27 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 *HKD*
Outstanding as of January 1, 2023	83,431,558	67.67
Granted during the year	16,096,810	61.95
Forfeited during the year	(10,275,297)	63.21
Exercised during the year	(3,318,797)	62.25
Outstanding as of December 31, 2023	85,934,274	67.34
Exercisable as of December 31, 2023	35,864,337	65.95

The weighted average remaining contract life for outstanding share options was 3.16 years and 4.31 years as of December 31, 2024 and 2023, respectively. The weighted average price of the shares at the time these share options were exercised was HKD58.00 per share during the year ended December 31, 2024.

27 SHARE-BASED COMPENSATION (CONTINUED)

Post-IPO Share Option Scheme (Continued)

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 31,2024. Key assumptions for the year ended December 31, 2023 are as follows:

	Year ended December 31, 2023
Fair value of ordinary shares *(HKD)*	59.90–68.15
Exercise price *(HKD)*	59.40–72.63
Risk-free interest rate	2.98%–3.42%
Dividend yield	0.00%
Expected volatility	62.7%–68.9%
Expected terms	6.8–7 years

The risk-free interest rate is based on the yield to maturity of Hong Kong government bond with a term commensurate with the maturity of the share options as of the grant date. Given the limited trading period of the Company as of the grant date, the expected volatility is estimated based on the historical daily share price volatility of comparable companies and the Company itself with a time horizon close to the life to expiration of the share options. Dividend yield is based on management's estimation at the grant date.

The weighted average grant date fair value of granted share options was HKD34.18 per share for the year ended December 31, 2023.

27 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 Company'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** *HKD*
Outstanding as of 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 as of December 31, 2024	**50,685,134**	**67.16**

	Number of RSUs	Weighted average grant date fair value per RSU *HKD*
Outstanding as of January 1, 2023	128,560,217	93.51
Granted during the year	33,831,540	49.49
Forfeited during the year	(25,972,579)	96.45
Vested during the year	(32,746,579)	101.95
Outstanding as of December 31, 2023	103,672,599	75.74

27 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 Company'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 *HKD*
Outstanding as of 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 as of December 31, 2024	**84,603,849**	**46.51**

	Number of RSUs	Weighted average grant date fair value per RSU *HKD*
Outstanding as of January 1, 2023	—	—
Granted during the year	15,580,769	62.13
Forfeited during the year	(505,907)	63.72
Vested during the year	(288)	64.40
Outstanding as of December 31, 2023	15,074,574	62.08

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 RMB2.3 billion and RMB3.6 billion were recognized in the consolidated income statement for the years ended December 31, 2024 and 2023, respectively.

28 BORROWINGS

	As of December 31,	
	2024	2023
	RMB'Million	*RMB'Million*
Unsecured bank loans *(Note a)*	**11,100**	—

Note a: As of December 31, 2024, unsecured bank loans were RMB11.1 billion, with a term of 3 years and floating interest rate. The annual average interest rate was 3.38%. Loans are repayable upon the maturity in 2027.

29 ACCOUNTS PAYABLES

The aging analysis of accounts payables based on invoice date is as follows:

	As of December 31,	
	2024	2023
	RMB'Million	*RMB'Million*
Up to 3 months	**18,266**	16,447
3 to 6 months	**3,133**	2,479
6 months to 1 year	**4,626**	3,165
Over 1 year	**1,445**	1,510
	27,470	23,601

30 OTHER PAYABLES AND ACCRUALS

The breakdown of other payables and accruals is as follows:

	As of December 31,	
	2024	2023
	RMB'Million	*RMB'Million*
Notes payable	**7,997**	3,990
Refundable deposits from customers	**7,701**	6,103
Employee benefit payables	**4,812**	4,662
Other taxes payable	**778**	567
Others	**1,825**	1,270
	23,113	16,592

30 OTHER PAYABLES AND ACCRUALS (CONTINUED)

(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 interests 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, 2024
Notes payable	**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**

The carrying amount of liabilities under the arrangements was RMB8,015 million and RMB4,058 million as of December 31, 2024 and January 1, 2024, respectively. The carrying amount of liabilities under the arrangements of which the supplier has received payment from banks was RMB7,997 million as of December 31, 2024.

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 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 33(c).

31 ADVANCES FROM CUSTOMERS

The breakdown of advances from customers is as follows:

	As of December 31,	
	2024	2023
	RMB'Million	*RMB'Million*
Advances from online marketing services customers	**2,776**	2,267
Advances from live streaming customers	**1,833**	1,698
Others	**87**	71
	4,696	4,036

31 ADVANCES FROM CUSTOMERS (CONTINUED)

The above mentioned advances from customers represented the contract liability 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, 2024 in the year of 2024 was RMB2.4 billion (2023: RMB1.7 billion was recognized from the advances from customers balance as of January 1, 2023).

32 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,	
	2024	2023
	RMB'Million	*RMB'Million*
Deferred tax assets:		
To be recovered after 12 months	**4,009**	3,792
To be recovered within 12 months	**4,093**	4,191
	8,102	7,983
Deferred tax liabilities:		
To be settled after 12 months	**1,004**	1,338
To be settled within 12 months	**507**	555
	1,511	1,893
Offsetting amounts	**1,498**	1,875
Deferred tax assets after offsetting	**6,604**	6,108
Deferred tax liabilities after offsetting	**13**	18

32 DEFERRED INCOME TAX (CONTINUED)

The movements of 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*
At January 1, 2024	**3,545**	**1,969**	**2,357**	**112**	**7,983**
(Debited)/credited to the consolidated income statement	**(749)**	**(370)**	**1,205**	**33**	**119**
At December 31, 2024	**2,796**	**1,599**	**3,562**	**145**	**8,102**
At January 1, 2023	3,359	2,030	1,548	106	7,043
Credited/(debited) to the consolidated income statement	186	(61)	809	6	940
At December 31, 2023	3,545	1,969	2,357	112	7,983

32 DEFERRED INCOME TAX (CONTINUED)

The unrecognized deferred tax assets for tax losses are as follows:

	As of December 31,	
	2024	2023
	RMB'Million	*RMB'Million*
Deductible cumulative tax losses		
— To be carried forward indefinitely	**20,165**	20,620
— To be expired within following years*	**7,846**	17,480
	28,011	38,100
Unrecognized deferred tax assets	**4,889**	6,431

* As of December 31, 2024, the deductible cumulative tax losses will expire within 10 years (2023: 10 years).

The movements of deferred tax liabilities before offsetting are as follows:

	Right-of-use assets	**Others**	**Total**
	RMB'Million	*RMB'Million*	*RMB'Million*
At January 1, 2024	**1,851**	**42**	**1,893**
Credited to the consolidated income statement	**(376)**	**(6)**	**(382)**
At December 31, 2024	**1,475**	**36**	**1,511**
At January 1, 2023	1,921	50	1,971
Credited to the consolidated income statement	(70)	(8)	(78)
At December 31, 2023	1,851	42	1,893

33 CASH FLOW INFORMATION

(a) Cash generated from operations

	Year ended December 31,	
	2024	2023
	RMB'Million	*RMB'Million*
Profit before income tax	**15,494**	6,889
Adjustments for:		
Depreciation of property and equipment	**4,064**	3,989
Depreciation of right-of-use assets	**2,972**	3,065
Amortization of intangible assets	**104**	148
Credit loss allowances on financial assets	**52**	93
Provision for impairment of intangible assets	**2**	—
Net gains arising from disposals of subsidiaries	**(5)**	—
Share-based compensation expenses	**2,349**	3,570
Net gains on disposal of property and equipment, intangible assets and right-of-use assets	**(98)**	(87)
Net fair value gains on financial assets at fair value through profit or loss	**(1,684)**	(384)
Share of losses of investments accounted for using the equity method	**29**	81
Interest income from financial assets measured at amortized cost	**(36)**	(55)
Finance income, net	**(13)**	(156)
Net foreign exchange losses/(gains)	**68**	(8)
Changes in working capital:		
— Increase in trade receivables	**(224)**	(257)
— Decrease/(increase) in prepayments, other receivables and other assets	**490**	(764)
— Decrease/(increase) in restricted cash	**81**	(122)
— Increase in accounts payables	**3,468**	1,677
— Increase in advances from customers	**660**	785
— Increase in other payables and accruals	**3,037**	3,524
— (Decrease)/increase in other non-current liabilities	**(2)**	16
Cash generated from operations	**30,808**	22,004

33 CASH FLOW INFORMATION (CONTINUED)

(b) Non-cash investing and financing activities

Non-cash transactions are about the additions as well as modifications of right-of-use assets and lease liabilities described in Note 16, and the share-based compensation described in Note 27. Other than these, there were no other material non-cash investing and financing transactions for the years ended December 31, 2024 and 2023.

(c) Reconciliation of liabilities generated from financing activities

	Liabilities from financing activities				
	Borrowings and related interests *RMB'Million*	Notes payable *RMB'Million*	Liability from notes receivable factoring to banks *RMB'Million*	Lease liabilities *RMB'Million*	Total *RMB'Million*
Liabilities from financing activities as of January 1, 2024	—	3,990	—	11,732	15,722
Financing cash flows					
— Proceeds from borrowings	12,379	—	—	—	12,379
— Repayments of borrowings and related interests	(1,454)	—	—	—	(1,454)
— Payments for principal elements of lease and related interests	—	—	—	(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)
Other changes					
— Interests 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 disposal of right-of-use assets	—	—	—	(1,037)	(1,037)
— Lease modification	—	—	—	100	100
— Interest expense from lease liabilities	—	—	—	513	513
— Interests on notes receivable factoring to banks	—	—	39	—	39
Liabilities from financing activities as of December 31, 2024	11,110	7,997	—	10,436	29,543

33 CASH FLOW INFORMATION (CONTINUED)

(c) Reconciliation of liabilities generated from financing activities (Continued)

	Liabilities from financing activities			
	Notes payable *RMB'Million*	Liability from notes receivable factoring to banks *RMB'Million*	Lease liabilities *RMB'Million*	Total *RMB'Million*
Liabilities from financing activities as of January 1, 2023	738	—	12,196	12,934
Financing cash flows				
— Payments for principal elements of lease and related interests	—	—	(3,451)	(3,451)
— Proceeds received under notes payable transaction	7,524	—	—	7,524
— Proceeds received from notes receivable factoring to banks	—	3,735	—	3,735
— Payments for principal of matured notes	(4,272)	(3,753)	—	(8,025)
Other changes				
— Increase in lease liabilities from entering into new leases	—	—	4,169	4,169
— Decrease in lease liabilities from disposal of right-of-use assets	—	—	(1,677)	(1,677)
— Interest expense from lease liabilities	—	—	495	495
— Interests on notes receivable factoring to banks	—	18	—	18
Liabilities from financing activities as of December 31, 2023	3,990	—	11,732	15,722

34 COMMITMENTS

Significant capital expenditure contracted for at the end of the reporting period but not yet incurred is as follows:

	As of December 31,	
	2024	2023
	RMB'Million	*RMB'Million*
Property and equipment	**1,835**	512
Investments	**192**	212
Intangible assets	**—**	3
	2,027	727

35 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 the 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, 2024 and 2023, and/or balances with the Group as of December 31, 2024 and 2023, 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 managements of the Group

35 RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Significant transactions with related parties

	Year ended December 31, 2024 RMB'Million	Year ended December 31, 2023 RMB'Million
(i) Provision of services		
Tencent Group	399	167
Others	138	310
	537	477

	Year ended December 31, 2024 RMB'Million	Year ended December 31, 2023 RMB'Million
(ii) Purchases of services		
Tencent Group	4,093	5,066
Others	90	25
	4,183	5,091

(c) Balances with related parties

	As of December 31, 2024 RMB'Million	As of December 31, 2023 RMB'Million
(i) Prepayments and other receivables from related parties		
Tencent Group	526	422
Chengdu Qingsong	252	—
	778	422

35 RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Balances with related parties (Continued)

	As of December 31,	
	2024	2023
	RMB'Million	*RMB'Million*
(ii) Trade receivables from related parties		
Tencent Group	**197**	224
Others	**10**	48
	207	272

	As of December 31,	
	2024	2023
	RMB'Million	*RMB'Million*
(iii) Accounts payables to related parties		
Tencent Group	**282**	238
Others	**62**	2
	344	240

All the balances with related parties above were business operation related and were considered as trade in nature as of December 31, 2024 and 2023. All the balances with the related parties above were unsecured, non-interest bearing and repayable on demand.

35 RELATED PARTY TRANSACTIONS (CONTINUED)

(d) Key management personnel compensation

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Wages and salaries	**19,585**	21,579
Discretionary bonuses	**15,358**	14,739
Share-based compensation expenses *(Note a)*	**158,160**	233,578
Pension costs-defined contribution plans	**295**	324
Other social security costs, housing benefits and other employee benefits	**380**	424
	193,778	270,644

Note a: Under IFRS 2, the accelerated method is required to recognize compensation expenses for equity awards.

36 CONTINGENCIES

As of December 31, 2024, the Group did not have any material contingent liabilities.

37 SUBSEQUENT EVENTS

There was no material subsequent events during the period from December 31, 2024 to the approval date of these consolidated financial statements by the Board on March 25, 2025.

38 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

(a) Balance sheet of the Company

	Note	As of December 31, 2024 RMB'Million	2023 RMB'Million
ASSETS			
Non-current assets			
Property and equipment		5	—
Right-of-use assets		7	—
Investments in subsidiaries		23,706	21,357
		23,718	21,357
Current assets			
Prepayments, other receivables and other current assets		69,800	73,484
Short-term time deposits		—	502
Cash and cash equivalents		108	61
		69,908	74,047
Total assets		93,626	95,404
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	*24*	—	—
Share premium	*24,38(b)*	268,733	273,459
Treasury shares	*38(b)*	(341)	(88)
Other reserves	*38(b)*	40,257	36,845
Accumulated losses	*38(b)*	(215,169)	(214,823)
Total equity		93,480	95,393

38 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

(a) Balance sheet of the Company (Continued)

		As of December 31,	
	Note	**2024**	2023
		RMB'Million	*RMB'Million*
LIABILITIES			
Non-Current liabilities			
Lease liabilities		**4**	—
		4	—
Current liabilities			
Accounts payables		**11**	8
Other payables and accruals		**128**	3
Lease liabilities		**3**	—
		142	11
Total liabilities		**146**	11
Total equity and liabilities		**93,626**	95,404

CHENG Yixiao
Director

SU Hua
Director

38 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
As of January 1, 2024	273,459	(88)	21,357	15,943	(362)	(214,823)	(93)	95,393
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)
Cancelation of shares	(4,755)	4,755	—	—	—	—	—	—
Loss for the year	—	—	—	—	—	(346)	—	(346)
As of December 31, 2024	268,733	(341)	23,706	17,006	(362)	(215,169)	(93)	93,480
As of January 1, 2023	274,473	—	17,787	14,657	(362)	(214,243)	(93)	92,219
Share-based compensation	—	—	3,570	—	—	—	—	3,570
Exercise of share options and vesting of RSUs	199	—	—	—	—	—	—	199
Currency translation differences	—	—	—	1,286	—	—	—	1,286
Repurchase of shares (to be canceled)	—	(1,301)	—	—	—	—	—	(1,301)
Cancelation of shares	(1,213)	1,213	—	—	—	—	—	—
Loss for the year	—	—	—	—	—	(580)	—	(580)
As of December 31, 2023	273,459	(88)	21,357	15,943	(362)	(214,823)	(93)	95,393

Definitions

In this annual report, unless the context otherwise requires the following expressions have the following meanings.

"2023 Share Incentive Scheme"	the share incentive scheme of the Company adopted at the annual general meeting held on June 16, 2023
"2025 AGM"	the 2025 annual general meeting of the Company to be held on Thursday, June 19, 2025 at 3:00 p.m. or any adjournment thereof
"Administrator"	the administrator of the Post-IPO RSU Scheme, being the Board or the Chief Executive Officer, or person(s) to which the Board has delegated its authority
"AI"	artificial intelligence
"AIGC"	artificial intelligence generated content
"Articles" or "Articles of Association"	the articles of association of the Company (as amended from time to time) adopted on June 13, 2024
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Auditor"	PricewaterhouseCoopers, the external auditor of the Company
"Beijing Kuaishou"	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
"Beijing Kuaishou Ads"	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
"Beijing One Smile"	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
"Board" or "Board of Directors"	the board of Directors of the Company
"BVI"	the British Virgin Islands
"Chief Executive Officer"	the chief executive officer of the Company

Definitions

"Class A Shares"	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
"Class B Shares"	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
"Companies Act"	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
"Companies Ordinance" or "Hong Kong Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended or supplemented from time to time
"Company", "we" or "us"	Kuaishou Technology (快手科技), an exempted company incorporated in the Cayman Islands with limited liability on February 11, 2014
"connected person(s)"	has the meaning ascribed to it in the Listing Rules
"connected transaction(s)"	has the meaning ascribed to it in the Listing Rules
"Consolidated Affiliated Entities"	the entities we control through the Contractual Arrangements, namely the PRC Holdcos and their respective subsidiaries
"Consolidated Financial Statements"	the consolidated financial statements of the Group for the Reporting Period
"Contractual Arrangements"	the series of contractual arrangements entered into between WFOE, PRC Holdcos and the Registered Shareholders (as applicable)
"Controlling Shareholders"	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
"Corporate Governance Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Corporate Governance Committee"	the corporate governance committee of the Board

“DAUs”	daily active users, which are calculated as the number of unique user accounts, excluding spam accounts, that access an app at least once during the day
“Designated Employees”	certain employees of the Group as designated by the Administrator, the vesting of whose RSUs shall be subject to the satisfaction of the performance targets. The scope and criteria of the Designated Employees are determined by the Administrator as he may in his absolute discretion deem appropriate and necessary taking into account, among other factors, the talent motivation strategy of the Company
“Director(s)”	the director(s) of the Company
“eCPM”	effective cost per mille
“Employee Participant(s)”	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)
“ESG Reporting Guide”	the Environmental, Social and Governance Reporting Guide as set out in Appendix C2 to the Listing Rules
“Fortune One”	Fortune One Ventures Limited, a limited liability company incorporated under the laws of the BVI which is controlled by Mr. YIN Xin
“Global Offering”	the global offering of the Class B Shares
“GMV”	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
“Group”	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
“Hangzhou Youqu”	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
“HK$”	Hong Kong dollars, the lawful currency of Hong Kong

Definitions

"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Share Registrar"	Computershare Hong Kong Investor Services Limited
"Hong Kong Stock Exchange" or "Stock Exchange" or "HKEX"	The Stock Exchange of Hong Kong Limited
"Huayi Huilong"	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
"IASB"	International Accounting Standards Board
"IFRS Accounting Standards"	International Financial Reporting Standards, amendments and interpretations issued by the IASB
"Industry Research Consultant(s)"	person(s) who provide(s) industry research and strategic consulting services to the Group in relation to product, professional technology, research and development, operations, marketing, capital market, experience and other professional areas, and in the opinion of the Directors, the continuity and frequency of those services are akin to those of employees of the Group
"Jovial Star"	Jovial Star Global Limited, a limited liability company incorporated under the laws of the BVI which is controlled by Mr. YANG Yuanxi
"Ke Yong"	Ke Yong Limited, a limited liability company incorporated under the laws of the BVI which is controlled by Mr. CHENG Yixiao
"KOL(s)"	Key opinion leader(s)
"Kuaishou App"	collectively, Kuaishou Flagship, Kuaishou Express and Kuaishou Concept mobile apps
"Kuaishou Concept"	an app that we launched in November 2018 to explore different user needs and preferences
"Kuaishou Express"	a variant of Kuaishou Flagship that was officially launched in August 2019
"Kuaishou Flagship"	a mobile app that was derived from our original mobile app, *GIF Kuaishou* (launched in 2011)
"Latest Practicable Date"	April 11, 2025, 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

"Listing"	the listing of the Class B Shares on the Main Board of the Stock Exchange
"Listing Date"	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
"Listing Rules"	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)
"Main Board"	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
"MAUs"	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
"Memorandum"	the memorandum of association of our Company (as amended from time to time), adopted on June 13, 2024
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"Nomination Committee"	the nomination committee of the Board
"Other Service Provider(s)"	independent contractor(s), consultant(s) and/or advisor(s) who provide(s) services to the Group in relation to research and development, product commercialization, marketing, innovation upgrading, strategic/commercial planning, investor relations, human resources, business development and corporate governance areas on a continuing and recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group
"paying users"	user accounts that purchase a particular service at least once during a given period
"Post-IPO RSU Scheme"	the post-IPO restricted share unit scheme adopted by the Company on January 18, 2021 and terminated on June 23, 2023
"Post-IPO Share Option Scheme"	the post-IPO share option scheme adopted by the Company on January 18, 2021 and terminated on June 23, 2023
"PRC" or "China"	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

"PRC Holdcos"	(i) Hangzhou Youqu, (ii) Huayi Huilong, (iii) Beijing One Smile and (iv) Shandong Yixiang
"Pre-IPO ESOP"	the pre-IPO employee incentive scheme adopted by the Company dated February 6, 2018 as amended from time to time
"Prospectus"	the prospectus of the Company dated January 26, 2021
"Reach Best"	Reach Best Developments Limited, a limited liability company incorporated under the laws of the BVI which is controlled by Mr. SU Hua
"Related Entity Participant(s)"	director(s) and employee(s) of the holding companies, fellow subsidiaries or associated companies of the Company
"Remuneration Committee"	the remuneration committee of the Board
"Reporting Period"	the year ended December 31, 2024
"Reserved Matters"	those matters resolutions with respect to which each Share is entitled to one vote at general meetings of the Company pursuant to the Articles of Association, being: (i) any amendment to the Memorandum or Articles, including the variation of the rights attached to any class of shares, (ii) the appointment, election or removal of any independent non-executive Director, (iii) the appointment or removal of the auditors, and (iv) the voluntary liquidation or winding-up of the Company
"RMB"	the lawful currency of the PRC
"ROI"	return on investment
"Service Provider(s)"	person(s) and/or corporate entity(ies) who provide(s) services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group, namely the Strategic Consulting Consultants, Industry Research Consultants, and Other Service Providers, but excluding (for the avoidance of doubt) (i) placing agents or financial advisers providing advisory services for fund-raising, mergers or acquisitions, (ii) professional service providers (such as auditors or valuers) who provide assurance, or are required to perform their services with impartiality and objectivity
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time

"Shandong Yixiang"	Shandong Yixiang Culture Communication Co., Ltd. (山東翼想文化傳播有限公司), a limited liability company incorporated under the laws of the PRC on February 20, 2021 and a Consolidated Affiliated Entity
"Shareholder(s)"	holder(s) of the Company's Shares
"Share(s)"	the Class A Shares and Class B Shares in the capital of the Company, as the context so requires
"State Council"	the State Council of the PRC (中華人民共和國國務院)
"Strategic Consulting Consultant(s)"	person(s) who provide(s) strategic consulting services to the Group whose services will lead, collaborate with or optimize the businesses operated by the Group from time to time, and in the opinion of the Directors, the continuity and frequency of those services are akin to those of employees of the Group
"subsidiary" or "subsidiaries"	has the meaning ascribed to it under the Companies Ordinance
"substantial shareholder"	has the meaning ascribed to it in the Listing Rules
"Tencent"	Tencent Holdings Limited (HKEx Stock Code: 700), or Tencent Holdings Limited and/or its subsidiaries, as the case may be
"treasury shares"	has the meaning ascribed to it in the Listing Rules
"United States" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US$" or "USD"	United States dollars, the lawful currency for the time being of the United States
"VIE" or "VIEs"	variable interest entity or variable interest entities
"WFOE" or "Beijing Dajia"	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
"WVR" or "weighted voting right"	has the meaning ascribed to it in the Listing Rules
"WVR Beneficiaries"	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
"%"	per cent

Definitions

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.

KUAISHOU

Head Office and Principal Place of Business in the PRC

Address: No.16, Xi'erqi West Street, Haidian District, Beijing, the PRC
Postcode:100085
Website: www.kuaishou.com
Email: ir@kuaishou.com

WeChat Official Account for Kuaishou: kuaishouApp