



(continued into the Cayman Islands with limited liability)
Stock Code: 03888

KINGSOFT CORPORATION LIMITED

2025 INTERIM REPORT



剑侠情缘网络版叁



新剑侠情缘手游

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CORPORATE INFORMATION

Legal Name of the Company

Kingsoft Corporation Limited

Stock Code

03888

Date of Listing

9 October 2007

Principal Place of Business in Beijing

Building D

Xiaomi Campus

No.33 Xierqi Middle Road

Haidian District

Beijing 100085

PRC

Principal Place of Business in Hong Kong

Suite 3208, 32/F, Tower 5

The Gateway, Harbour City

Tsim Sha Tsui, Kowloon

Hong Kong

Registered Office

P. O. Box 309

Ugland House

Grand Cayman, KY1-1104

Cayman Islands

Executive Director

Mr. Tao ZOU

Non-executive Directors

Mr. Jun LEI (Chairman)

Mr. Pak Kwan KAU

Mr. Leiwen YAO

Independent Non-executive Directors

Mr. Shun Tak WONG

Mr. Zuotao CHEN

Ms. Wenjie WU

Audit Committee

Ms. Wenjie WU (Chairman)

Mr. Shun Tak WONG

Mr. Zuotao CHEN

Remuneration Committee

Mr. Shun Tak WONG (Chairman)

Mr. Jun LEI

Mr. Zuotao CHEN

Ms. Wenjie WU

Nomination Committee

Mr. Shun Tak WONG (Chairman)

Mr. Leiwen YAO

Ms. Wenjie WU

Environmental, Social and Governance Committee

Mr. Zuotao CHEN (Chairman)

Mr. Tao ZOU

Mr. Shun Tak WONG

Ms. Wenjie WU

CORPORATE INFORMATION (continued)

Board Secretary/Company Secretary

Ms. Ou LU

Authorised Representatives

Mr. Tao ZOU

Ms. Ou LU

Principal Share Registrar and Transfer Office

Maples Fund Services (Cayman) Limited

P. O. Box 1093

Boundary Hall

Cricket Square

Grand Cayman, KY1-1102

Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

Computershare Hong Kong Investor Services Limited

Shops 1712–1716, 17/F. Hopewell Centre

183 Queen's Road East

Hong Kong

Auditor

Ernst & Young, Registered Public Interest Entity Auditor

Certified Public Accountants

27/F, One Taikoo Place

979 King's Road

Quarry Bay

Hong Kong

Legal Advisor on Hong Kong Law

Baker & McKenzie

14th Floor, One Taikoo Place

979 King's Road

Quarry Bay

Hong Kong

Principal Bankers

China CITIC Bank Co., Ltd.

China Merchants Bank Co., Ltd.

Bank of Beijing Co., Ltd.

Bank of Communications Co., Ltd.

Industrial and Commercial Bank of China (Asia) Limited

Investor and Media Relations

Tel: (86) 10 82325515

Fax: (86) 10 82335757

Email: ir@kingsoft.com

Website: www.kingsoft.com

OPERATIONAL HIGHLIGHTS

Office Software and Services

	In June 2025	In June 2024	In March 2025	Year-on-year Change %	Quarter-on- quarter Change %
Monthly Active Devices of WPS Office Globally* (Million)	651	600	647	9	1
			As at 30 June 2025	As at 30 June 2024	Year-on-year Change %
Accumulated paying subscribers** (Million)			41.79	38.15	10

* Monthly Active Devices of WPS Office Globally are defined as the Monthly Active Devices of WPS Office across all platforms, excluding WPS Docs, Kingsoft Powerword and other products.

** Accumulated paying subscribers are defined as paying individual subscribers in the past twelve months (excluding onetime purchase) in Mainland China.

FINANCIAL HIGHLIGHTS

	For the three months ended		
	30 June 2025 RMB'000 (Unaudited)	30 June 2024 RMB'000 (Unaudited)	31 March 2025 RMB'000 (Unaudited)
Revenue			
Office software and services	1,355,653	1,187,730	1,301,469
Online games and others	951,759	1,286,036	1,036,526
	2,307,412	2,473,766	2,337,995
Cost of revenue	(453,784)	(431,731)	(419,409)
Gross profit	1,853,628	2,042,035	1,918,586
Research and development costs	(853,753)	(741,263)	(827,853)
Selling and distribution expenses	(424,031)	(379,407)	(340,468)
Administrative expenses	(173,641)	(155,353)	(160,288)
Share-based compensation costs	(71,090)	(81,794)	(53,685)
Other income	53,909	106,230	69,120
Other expenses	(2,364)	3,589	(3,959)
Operating profit	382,658	794,037	601,453
Other gains/(losses), net	442,852	(12,273)	(22,291)
Finance income	165,505	162,564	187,677
Finance costs	(9,456)	(44,738)	(44,889)
Share of profits and losses of:			
Joint ventures	(7,637)	(5,485)	(12,329)
Associates	(170,109)	(169,192)	(152,724)
Profit before tax	803,813	724,913	556,897
Income tax expense	(104,251)	(48,372)	(48,333)
Profit for the period	699,562	676,541	508,564
Attributable to:			
Owners of the parent	532,440	393,353	283,874
Non-controlling interests	167,122	283,188	224,690
	699,562	676,541	508,564
	RMB	RMB	RMB
	(Unaudited)	(Unaudited)	(Unaudited)
Earnings per share attributable to ordinary equity holders of the parent			
Basic	0.39	0.29	0.21
Diluted	0.38	0.28	0.21

FINANCIAL HIGHLIGHTS (continued)

	For the six months ended	
	30 June 2025 RMB'000 (Unaudited)	30 June 2024 RMB'000 (Unaudited)
Revenue		
Office software and services	2,657,122	2,413,079
Online games and others	1,988,285	2,197,562
	4,645,407	4,610,641
Cost of revenue	(873,193)	(827,953)
Gross profit	3,772,214	3,782,688
Research and development costs	(1,681,606)	(1,454,051)
Selling and distribution expenses	(764,499)	(640,699)
Administrative expenses	(333,929)	(315,626)
Share-based compensation costs	(124,775)	(158,263)
Other income	123,029	177,531
Other expenses	(6,323)	4,035
Operating profit	984,111	1,395,615
Other gains/(losses), net	420,561	(16,579)
Finance income	353,182	351,148
Finance costs	(54,345)	(88,334)
Share of profits and losses of:		
Joint ventures	(19,966)	(15,100)
Associates	(322,833)	(337,913)
Profit before tax	1,360,710	1,288,837
Income tax expense	(152,584)	(90,707)
Profit for the period	1,208,126	1,198,130
Attributable to:		
Owners of the parent	816,314	677,923
Non-controlling interests	391,812	520,207
	1,208,126	1,198,130
	RMB (Unaudited)	RMB (Unaudited)
Earnings per share attributable to ordinary equity holders of the parent		
Basic	0.60	0.51
Diluted	0.59	0.49

BUSINESS REVIEW AND OUTLOOK

In the second quarter, we advanced core businesses steadily in line with established strategy and firmly positioned for the future. Kingsoft Office Group focused on “AI, collaboration, and internationalization”, continued to strengthen the allocation of R&D resources in related fields, and developed solutions deeply aligned with user scenario needs to sustain competitiveness in the field of intelligent office. The online games business continued advancing content innovation and global expansion, achieving the development of flagship IPs and new game genres.

The total revenue for the second quarter amounted to RMB2,307.4 million, representing a year-on-year decrease of 7%, among which the revenue from the office software and services business was RMB1,355.7 million, representing a year-on-year increase of 14%. Revenue from the online games and others business was RMB951.8 million, representing a year-on-year decrease of 26%, primarily due to the high base in the same period last year.

In the second quarter, the office software and services business continued its healthy development. For WPS AI, we released WPS AI 3.0 and launched the native Office intelligent agent “WPS Lingxi” — the core capability module of WPS AI 3.0. WPS AI 3.0 drove deep integration between AI and office software through bidirectional transformation, achieving native embedding of AI capabilities and deep involvement in office workflows. WPS Lingxi integrated multiple AI functions, marking the transition from tool-based AI applications to collaborative intelligent agents. We also implemented intelligent upgrades to WPS 365 components, and launched messaging, meeting, and email assistants to boost office efficiency.

For WPS individual business, we expanded AI benefits and rolled out new AI products. In overseas market, we initiated the development of the new WPS International Edition to gradually migrate domestic high-value features. For WPS 365 business, we continuously deepened penetration into industries and scenarios, actively promoted the implementation of AI projects, and engaged in co-creation with key clients to replicate and scale up typical solutions. For WPS software business, we actively participated in the bidding for domestic office software of central and local governments and enterprises. Our products maintained a leading share in both flow layout and fixed layout document software market.

During the second quarter, JX3 Online, the flagship IP, maintained engaged player base through consistent content updates and technical optimization. The Fate of Sword: Zero (劍俠情緣 • 零) was launched, building upon the core gameplay of the classic JX series IP while introducing innovative explorations. The anime shooter game Snowbreak: Containment Zone (塵白禁區) sustained its long-term operation, keeping stable user base. The self-developed sci-fi mech game Mecha BREAK (解限機) commenced its global public beta in July. On its launch day, it topped Steam’s lists for both “Most Played” and “Trending Games”, and earned high scores from several international authoritative gaming outlets like IGN.

Additionally, we actively strengthened our collaboration with high-quality overseas IPs, deepening the localized operational capabilities in domestic market. The social deduction game Goose Goose Duck (鵝鴨殺) obtained the license approval in June and was expected to launch in the second half of the year. The number of pre-registrations exceeded 5 million, demonstrating its popularity. Cats & Soup: Magic Recipe (貓咪和湯 : 魔法與美食), the sequel to Cats & Soup, secured its license in May. For the latter half of the year, we will continuously focus on refining the operations of our core titles and optimizing the gaming experience based on players’ feedback.

In the coming quarters, Kingsoft Office Group will continue to increase its R&D investments in AI and collaboration, and promote the implementation of its products and services across a wider range of office scenarios in various industries. The online games business will remain focused on premium games, continue to cultivate its IP franchise, steadily advance its global expansion and achieve long-term operations. We believe that these efforts will strengthen the Group’s core competitiveness and lay a solid foundation to achieve long-term high-quality growth.

MANAGEMENT DISCUSSION AND ANALYSIS

Second Quarter of 2025 Compared with Second Quarter of 2024 and First Quarter of 2025

Revenue

Revenue for the second quarter of 2025 decreased 7% year-on-year and 1% quarter-on-quarter to RMB2,307.4 million. Revenue from office software and services, and online games and others represented 59% and 41% of the Group's total revenue for the second quarter of 2025, respectively.

Revenue from office software and services business for the second quarter of 2025 increased 14% year-on-year and 4% quarter-on-quarter to RMB1,355.7 million. The year-on-year increase was mainly attributable to the growth of WPS 365 and WPS individual businesses of Kingsoft Office Group. The robust growth of WPS 365 business was primarily attributable to enhanced product capabilities, high-quality services, as well as further penetration into industries and business scenarios driven by the replication and promotion of typical solutions. The steady growth of WPS individual business was mainly driven by enriched AI-enabled features, improved user experience, and optimized operations.

Revenue from online games and others business for the second quarter of 2025 decreased 26% year-on-year and 8% quarter-on-quarter to RMB951.8 million. The year-on-year decrease was mainly due to the high base of anime game Snowbreak: Containment Zone and JX3 Online in the second quarter of 2024. The quarter-on-quarter decrease was mainly due to the decline of Snowbreak: Containment Zone and JX3 Online, partially offset by revenue growth from other games.

Cost of Revenue and Gross Profit

Cost of revenue for the second quarter of 2025 increased 5% year-on-year and 8% quarter-on-quarter to RMB453.8 million. The increases were primarily due to higher server and bandwidth costs, greater channel costs, as well as increased purchasing costs along with the business growth of Kingsoft Office Group, partially offset by the lower channel costs of online games business.

Gross profit for the second quarter of 2025 decreased 9% year-on-year and 3% quarter-on-quarter to RMB1,853.6 million. The Group's gross profit margin decreased by three percentage points year-on-year and two percentage points quarter-on-quarter to 80%.

R&D Costs

R&D costs for the second quarter of 2025 increased 15% year-on-year and 3% quarter-on-quarter to RMB853.8 million. The year-on-year increase was mainly driven by continued investments in AI and collaboration capabilities, as well as increased investments in new game genres.

Selling and Distribution Expenses

Selling and distribution expenses for the second quarter of 2025 increased 12% year-on-year and 25% quarter-on-quarter to RMB424.0 million. The increases were mainly driven by greater marketing and promotional activities of Kingsoft Office Group, as well as increased promotional and advertising efforts in supporting pre-launch activities of new games.

Administrative Expenses

Administrative expenses for the second quarter of 2025 increased 12% year-on-year and 8% quarter-on-quarter to RMB173.6 million. The year-on-year increase was mainly due to greater personnel-related expenses of Kingsoft Office Group.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Share-based Compensation Costs

Share-based compensation costs for the second quarter of 2025 decreased 13% year-on-year and increased 32% quarter-on-quarter to RMB71.1 million. The quarter-on-quarter increase was mainly due to the grants of awarded shares to the selected employees of certain subsidiaries of the Company in this quarter.

Operating Profit before Share-based Compensation Costs

Operating profit before share-based compensation costs for the second quarter of 2025 decreased 48% year-on-year and 31% quarter-on-quarter to RMB453.7 million.

Other Gains/(Losses), net

Net other gains for the second quarter of 2025 were RMB442.9 million, compared with losses of RMB12.3 million and RMB22.3 million for the second quarter of 2024 and the first quarter of 2025, respectively. The gains in this quarter were mainly due to that we recognised gain on deemed disposal of Kingsoft Cloud as a result of the dilution impact of issue of new shares of it in the second quarter of 2025.

Share of Profits and Losses of Associates

We recorded share of losses of associates of RMB170.1 million for the second quarter of 2025, compared with share of losses of RMB169.2 million and RMB152.7 million for the second quarter of 2024 and the first quarter of 2025, respectively.

Income Tax Expense

Income tax expense for the second quarter of 2025 was RMB104.3 million, compared with income tax expense of RMB48.4 million and RMB48.3 million for the second quarter of 2024 and the first quarter of 2025, respectively. The increases were mainly due to accrued deferred tax expense related to deemed disposal of Kingsoft Cloud in the second quarter of 2025.

Profit Attributable to Owners of the Parent

As a result of the reasons discussed above, profit attributable to owners of the parent was RMB532.4 million for the second quarter of 2025, compared with profit of RMB393.4 million and RMB283.9 million for the second quarter of 2024 and the first quarter of 2025, respectively.

Profit Attributable to Owners of the Parent before Share-based Compensation Costs

Profit attributable to owners of the parent before share-based compensation costs is profit attributable to owners of the parent excluding the effect of share-based compensation costs attributable to owners of the parent.

We believe that the profit attributable to owners of the parent before share-based compensation costs will enable the investors to better understand the Group's overall operating performance. When assessing our operating performance, you should not consider this data in isolation or as a substitute for our profit or any other operating performance measure that is calculated in accordance with IFRS Accounting Standards. In addition, our profit attributable to owners of the parent before share-based compensation costs may not be comparable to similarly titled measures utilized by other companies.

Profit attributable to owners of the parent before share-based compensation costs was RMB569.6 million for the second quarter of 2025, compared with profit of RMB440.9 million and RMB316.0 million for the second quarter of 2024 and the first quarter of 2025, respectively. The net profit margin excluding the effect of share-based compensation costs was 25%, 18% and 14% for the second quarter of 2025, the second quarter of 2024 and the first quarter of 2025, respectively.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

First Half of 2025 Compared with First Half of 2024

Revenue

Revenue for the first half of 2025 increased 1% year-on-year to RMB4,645.4 million. Revenue from office software and services, and online games and others represented 57% and 43% of the Group's total revenue for the first half of 2025, respectively.

Revenue from office software and services business for the first half of 2025 increased 10% year-on-year to RMB2,657.1 million. The increase was mainly attributable to the growth of WPS individual and WPS 365 businesses of Kingsoft Office Group. The steady growth of WPS individual business was largely attributable to strengthened product capabilities, better user experience, and optimized business tactics. The robust growth of WPS 365 business was primarily attributed to improved product capabilities, high-quality services, and the replication and promotion of typical solutions across industries and business scenarios.

Revenue from online games and others business for the first half of 2025 decreased 10% year-on-year to RMB1,988.3 million. The decrease was primarily due to the high base of Snowbreak: Containment Zone and World of Sword Origin (劍俠世界：起源) in the first half of 2024, partially offset by the increase of JX3 Online.

Cost of Revenue and Gross Profit

Cost of revenue for the first half of 2025 increased 5% year-on-year to RMB873.2 million. The increase was mainly due to greater server and bandwidth costs, and channel costs associated with the business growth of Kingsoft Office Group.

Gross profit for the first half of 2025 kept flat year-on-year to RMB3,772.2 million. The Group's gross profit margin decreased by one percentage point year-on-year to 81%.

R&D Costs

R&D costs for the first half of 2025 increased 16% year-on-year to RMB1,681.6 million. The increase was primarily driven by increased headcount of Kingsoft Office Group, higher outsourcing expenses for new game genres, and rising AI-related expenses.

Selling and Distribution Expenses

Selling and distribution expenses for the first half of 2025 increased 19% year-on-year to RMB764.5 million. The increase was mainly due to greater promotional and advertising efforts in supporting pre-launch activities of new games.

Administrative Expenses

Administrative expenses for the first half of 2025 increased 6% year-on-year to RMB333.9 million.

Share-based Compensation Costs

Share-based compensation costs for the first half of 2025 decreased 21% year-on-year to RMB124.8 million.

Operating Profit before Share-based Compensation Costs

Operating profit before share-based compensation costs for the first half of 2025 decreased 29% to RMB1,108.9 million.

Other Gains/(Losses), net

Net other gains for the first half of 2025 were RMB420.6 million, compared with losses of RMB16.6 million in the same period last year. The gains for the first half of 2025 were mainly due to that we recognised gain on deemed disposal of Kingsoft Cloud as a result of the dilution impact of issue of new shares of it in the second quarter of 2025.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Share of Profits and Losses of Associates

We recorded share of losses of associates of RMB322.8 million for the first half of 2025, compared with losses of RMB337.9 million for the first half of 2024.

Income Tax Expense

Income tax expense was RMB152.6 million and RMB90.7 million for the first half of 2025 and 2024, respectively. The increase was mainly due to accrued deferred tax expense related to deemed disposal of Kingsoft Cloud in the second quarter of 2025.

Profit Attributable to Owners of the Parent

As a result of the reasons discussed above, profit attributable to owners of the parent was RMB816.3 million for the first half of 2025, compared with profit of RMB677.9 million in the same period last year.

Profit Attributable to Owners of the Parent before Share-based Compensation Costs

Profit attributable to owners of the parent before share-based compensation costs for the first half of 2025 was RMB885.6 million, compared with profit of RMB769.9 million in the same period last year. The net profit margin excluding the effect of share-based compensation costs was 19% and 17% for the first half of 2025 and 2024, respectively.

Liquidity and Financial Resource

The Group had a strong cash position towards the end of reporting period. As at 30 June 2025, the Group had major financial resources in the forms of cash and bank deposits and restricted cash amounting to RMB22,594.0 million and RMB3.0 million, respectively, which together represented 60% of the Group's total assets.

As at 30 June 2025, the Group's gearing ratio, representing total liabilities divided by total assets, was 17%, compared with 26% as at 31 December 2024.

Note:

The cash resources which the Group considered in cash management including but not limited to cash and bank deposits, restricted cash and financial assets at fair value through profit or loss. As at 30 June 2025, the aggregate amount of cash resources of the Group was RMB25,156.2 million.

Foreign Currency Risk Management

As at 30 June 2025, RMB4,191.3 million of the Group's financial assets were held in deposits denominated in non-RMB currencies. As there are no cost-effective hedges against the fluctuation of RMB, there is a risk that we may experience a loss as a result of any foreign currency exchange rate fluctuation in connection with our deposits and investments.

Net Cash Generated from Operating Activities

Net cash generated from the operating activities reflected the Group's profit for the six-month period mentioned above, as the case may be, as adjusted for non-cash items, such as share of losses of associates, finance income, and gain on deemed disposal of associates, as well as the effect of changes in certain items of statement of financial position, such as contract liabilities, other payables and accruals.

Net cash generated from operating activities was RMB664.9 million and RMB1,374.3 million for the six months ended 30 June 2025 and 30 June 2024, respectively.

Capital Expenditures

Capital expenditures represent cash payments for fix assets and intangible assets. Cash used for capital expenditures was RMB202.6 million and RMB164.3 million for the six months ended 30 June 2025 and 30 June 2024, respectively.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Material Investments

Kingsoft Cloud Group offers a comprehensive suite of cutting-edge cloud products and well-architected industry-specific solutions across public cloud and enterprise cloud services. It helps customers achieve digitalization through its extensive cloud infrastructure, advanced cloud products based on its vigorous cloud technology R&D capabilities, industry-specific solutions and end-to-end fulfillment and deployment covering all project stages for customers. Following completion of the spin-off and separate listing on 8 May 2020, Kingsoft Cloud ceased to be a subsidiary and has been accounted as an associate of the Company. We hold the investment in Kingsoft Cloud to continue the implementation of the cloud strategy, one of our core strategies.

As at 30 June 2025, we held 1,492,621,584 shares of Kingsoft Cloud, which accounted for 35.59% of its voting power. The fair value of the equity interest of Kingsoft Cloud held by the Group was approximately RMB9,038.8 million (31 December 2024: RMB7,855.2 million) which was estimated based on the market price of Kingsoft Cloud, accounted for 24% (31 December 2024: 21%) of the Group's total assets. The carrying amount of the investment in Kingsoft Cloud was approximately RMB2,361.0 million (31 December 2024: RMB1,911.1 million), accounted for 6% (31 December 2024: 5%) of the Group's total assets. Adjusted net loss from Kingsoft Cloud for the first half of 2025 was RMB802.3 million (the first half of 2024: RMB701.0 million).

Except for investment in Kingsoft Cloud, there was no other individual investment with a carrying value of 5% or more of the Group's total assets as at 30 June 2025.

Future Plans for Material Investments or Capital Assets

As of 30 June 2025, we did not have any plans for material investments or capital assets.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

In the first half of 2025, we did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures.

OTHER INFORMATION

Directors' Interests in Securities

As at 30 June 2025, the interests and short positions of the Directors and the chief executive of the Company and their respective associates in the shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of the SFO which (a) were 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 under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be recorded in the register required to be kept by the Company; or (c) were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange were as follows:

Interests in the shares and underlying shares of the Company

Name of Directors	Capacity	Number of shares interested	% of the total number of issued shares (Note 1)	Nature of shares interested
Jun LEI	Interest of controlled corporation	213,157,048	15.22	Long position
	Other	90,000,000	6.43	Long position
	Total	303,157,048 (Note 2)	21.65	Long position
Pak Kwan KAU	Interest of controlled corporation	90,000,000 (Note 3)	6.43	Long position
Tao ZOU	Beneficial owner	12,111,707	0.86	Long position

Notes:

1. % of the total number of issued shares was calculated on basis of the total number of issued shares of the Company as at 30 June 2025, which was 1,400,425,790.
2. As at 30 June 2025, among these 303,157,048 shares, (i) 174,818,191 shares are held by Color Link Management Limited, a British Virgin Islands company owned as to 100% by Mr. Jun LEI; (ii) 38,338,857 shares are held by wholly-owned subsidiaries of Xiaomi Corporation, a company controlled by Mr. Jun LEI under the SFO; and (iii) 90,000,000 shares are deemed to be interested by Mr. Jun LEI under the SFO because under a voting consent agreement and its supplemental agreement entered into by Mr. Jun LEI and Mr. Pak Kwan KAU, Mr. Pak Kwan KAU would vote in the same way as Mr. Jun LEI with these shares.
3. These shares are held by Topclick Holdings Limited, a British Virgin Islands company wholly owned by Mr. Pak Kwan KAU. In addition, Mr. Jun LEI is also deemed to be interested in these shares under the SFO because under a voting consent agreement and its supplemental agreement entered into by Mr. Jun LEI and Mr. Pak Kwan KAU, Mr. Pak Kwan KAU would vote in the same way as Mr. Jun LEI with these shares.

OTHER INFORMATION (continued)

Interests in the shares and underlying shares of associated corporations of the Company

Seasun Holdings (Note 1)

Name of Director	Capacity	Number of shares interested	% of issued share capital in class (Note 2)	Nature of shares interested
Tao ZOU	Beneficial owner	18,123,462	1.97	Long position

Notes:

1. Seasun Holdings is a non-wholly owned subsidiary of the Company.
2. % of issued share capital in class was calculated on basis of the issued ordinary shares of Seasun Holdings as at 30 June 2025, which was 920,289,438.

Kingsoft Cloud (Note 1)

Name of Director	Capacity	Number of shares interested	% of issued share capital in class (Note 2)	Nature of shares interested
Tao ZOU	Beneficial owner	2,000,000	0.05	Long position

Notes:

1. Kingsoft Cloud is owned as to 35.59% by the Company and an associated corporation of the Company.
2. % of issued share capital in class was calculated on basis of the issued ordinary shares of Kingsoft Cloud as at 30 June 2025, which was 4,193,784,801.

Cheetah Mobile (Note 1)

Name of Director	Capacity	Number of shares interested	% of issued share capital in class (Note 2)	Nature of shares interested
Jun LEI (Note 3)	Interest of controlled corporation	17,660,264	3.41	Long position

Notes:

1. The Company held 43.96% ownership interest and 24.76% voting power of Cheetah Mobile as at 30 June 2025, which is listed on the NYSE.
2. % of issued share capital in class was calculated on basis of the issued Class A Cheetah Shares as at 30 June 2025, which was 518,104,900.
3. Among these 17,660,264 shares, (i) 14,285,714 shares are held by Xiaomi Corporation, a company owned as to more than 30% voting power by Mr. Jun LEI under the SFO; (ii) 3,374,550 shares are held by Team Guide Limited, a wholly-owned subsidiary of Techno Frontier Investments Limited. The entire interests in Techno Frontier Investments Limited are held by ARK Trust (Hong Kong) Limited as trustee for the trusts established by Mr. Jun LEI (as settlor) for the benefit of Mr. Jun LEI and his family.

Save as disclosed above, none of the Directors or chief executive and their associates, had interests or short positions in any shares, underlying shares or debentures of the Company and its associated corporations as at 30 June 2025.

OTHER INFORMATION (continued)

Share Schemes

2024 Share Scheme

The 2024 Share Scheme was approved and adopted at the annual general meeting by the shareholders of the Company on 23 May 2024. The purpose of the 2024 Share Scheme is to provide incentives or rewards to eligible participants thereunder for their contribution to the Group and to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group. The eligible participants comprise the employee participants, the related entity participants and the service provider or with the approval of the Board or the Scheme Administrator, any special-purpose vehicle (such as a trust or a private company) that is set up for the only purpose of holding the options or awards on behalf of any eligible participant or a group thereof. Under the 2024 Share Scheme, the Board may at its absolute discretion determine, subject to the Listing Rules, the eligibility of the participants, the number of shares to be comprised in the options or awards, performance targets, the exercise period and vesting period of options or awards. The maximum number of new shares issuable under the 2024 Share Scheme and any other schemes of the Company (if any) in aggregate will be 133,916,711 shares, being 10% of the total number of shares in issue on 23 May 2024 (excluding any treasury shares) (the “**Scheme Mandate Limit**”). For the avoidance of doubt, the total number of new shares which may be issued in respect of all options and awards to be granted under all share schemes of the Company which are funded by issue of new shares of the Company (including the 2024 Share Scheme) must not exceed 10% of the shares in issue (excluding any treasury shares) as at the date of approval by the shareholders of a share scheme or a refreshment of scheme mandate under a share scheme, whichever is the latest. Within the Scheme Mandate Limit, the total number of shares which may be issued in respect of all options and awards to be granted to service provider participants under the 2024 Share Scheme shall not exceed 13,391,671 shares, being 1% of the total number of shares in issue on 23 May 2024 (the “**Service Provider Sublimit**”). During the reporting period, no share awards or options were granted to eligible participants under the 2024 Share Scheme. It follows that, as of 1 January 2025 and 30 June 2025, 133,916,711 shares and 13,391,671 shares were available for grant under the Scheme Mandate Limit and the Service Provider Sublimit, respectively. The number of shares that may be issued in respect of awards and upon exercise of the share options granted under the 2024 Share Scheme during the reporting period divided by the weighted average number of the number of shares in issue for the reporting period was 0. Please refer to the circular of the Company dated 30 April 2024 and note 13 to the financial statements for details of 2024 Share Scheme.

The changes in the outstanding share awards under the 2024 Share Scheme in the first half of 2025 are summarized as follows:

Grantee/Participant	Date of grant	Vesting period	Changes in the number of share awards in the first half of 2025					Outstanding as at 30 Jun 2025
			Outstanding as at 1 Jan 2025	Granted	Vested	Lapsed	Cancelled	
Other employees	3 September 2024	10 February 2025-10 February 2029	1,527,400	—	(305,472)	(10,123)	—	1,211,805
Total			1,527,400	—	(305,472)	(10,123)	—	1,211,805

Note: The weighted average closing price of the shares immediately before the date on which the share awards were vested during the reporting period under the 2024 Share Scheme (i.e., 10 February 2025) is HK\$42.7.

OTHER INFORMATION (continued)

Share Option Schemes

2011 Share Option Scheme

The Company operates the 2011 Share Option Scheme for the purpose of providing incentives and rewards to eligible participants. Eligible participants of the 2011 Share Option Scheme include (a) employee(s) (whether full time or part time employee(s), including any executive director but not any non-executive director); and (b) any non-executive director (including independent non-executive directors) of the Group or any invested entity. The 2011 Share Option Scheme became effective on 9 December 2011 and expired on 8 December 2021, thus, there were no share options available for grant under the 2011 Share Option Scheme as at 1 January 2025 or 30 June 2025. The number of shares that may be issued upon exercise of the share options granted under the 2011 Share Option Scheme during the reporting period divided by the weighted average number of the number of shares in issue for the reporting period was 0.

The following share options were outstanding under the 2011 Share Option Scheme during the six months ended 30 June 2025.

Name or category of participant	Vesting period	Exercise period	Number of share options					At 30 Jun 2025	Date of grant of share options	Exercise price of share options HK\$ per share
			At 1 Jan 2025	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period			
Executive Director										
Tao ZOU	1 December 2017~ 1 December 2021	1 December 2017~ 20 April 2027	2,529,800	—	—	—	—	2,529,800	21 April 2017	20.25
Total			2,529,800	—	—	—	—	2,529,800		

2021 Share Option Scheme

On 9 December 2021, the Company adopted the 2021 Share Option Scheme for the purpose of providing incentives and rewards to eligible participants, recruiting and retaining high-calibre employees and attracting valuable human resources in the anticipation of the expiration of the 2011 Share Option Scheme. The number of share options available for grant under the 2021 Share Option Scheme as at 1 January 2025 and 30 June 2025 was 131,520,371. For avoidance of doubt, upon the 2024 Share Scheme taking effect, the Company shall not grant any further options under the 2021 Share Option Scheme. For details, please refer to the circular of the Company dated 30 April 2024. The number of shares that may be issued upon exercise of the share options granted under the 2021 Share Option Scheme during the reporting period divided by the weighted average number of the number of shares in issue for the reporting period was 0.

The number of shares that may be issued in respect of awards and upon exercise of the share options granted under the 2024 Share Scheme, 2011 Share Option Scheme and 2021 Share Option Scheme during the reporting period divided by the weighted average number of the number of shares in issue for the reporting period was 0.

OTHER INFORMATION (continued)

The following share options were outstanding under the 2021 Share Option Scheme during the six months ended 30 June 2025.

Name or category of participant	Vesting period	Exercise period	Number of share options					At 30 Jun 2025	Date of grant of share options	Exercise price of share options HK\$ per share
			At 1 Jan 2025	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period			
Executive Director										
Tao ZOU	4 July 2023~ 4 July 2027	4 July 2023~ 3 July 2032	5,500,000	—	—	—	—	5,500,000	4 July 2022	31.69
Total			5,500,000	—	—	—	—	5,500,000		

Seasun Holdings Share Option Scheme

On 27 June 2013, the shareholders of the Company and Seasun Holdings, approved and adopted the Seasun Holdings Share Option Scheme for the purpose of providing incentives and rewards to eligible participants, in which selected employees of Seasun Holdings, its subsidiaries or its invested entities are entitled to participate. The Seasun Holdings Share Option Scheme will remain in force for 10 years from 27 June 2013. The Seasun Holdings Share Option Scheme was amended and refreshed on 26 December 2016 and 24 May 2017, and was expired on 26 June 2023.

The Seasun Holdings Share Option Scheme is not a share option scheme of the Company or a principal subsidiary of the Company, therefore, it does not constitute a share scheme subject to Chapter 17 of the Listing Rules.

More details regarding the share option schemes are set out in note 13 to the financial statements.

Share Award Schemes

Share Award Scheme

The Share Award Scheme was adopted by the Board on 31 March 2008. On 5 July 2021, the Board resolved to amend certain provisions of the Share Award Scheme to, among others, (i) allow the Company to allot and issue new shares as the awarded shares, and (ii) extend the termination date of the Share Award Scheme to 30 March 2027. For details of the amendments to the Share Award Scheme, please refer to the announcement of the Company dated 5 July 2021.

The purpose of the Share Award Scheme is to recognise the contributions by certain employees (including without limitation to employees who are also directors) of the Group and associates and to give incentives thereto in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group.

Pursuant to the terms of the Share Award Scheme, the Board may, from time to time, at its absolute discretion and subject to such terms and conditions as it may think fit (including the basis of eligibility of each employee determined by the Board from time to time) select an employee for participation in the Share Award Scheme and determine the number of shares to be awarded. The Board shall not grant any award of shares which would result in the total number of shares which are the subject of awards granted by the Board under the Share Award Scheme (but not counting any which have lapsed or have been forfeited) representing in aggregate over 10% of the issued shares of the Company as at the date of such grant. No further awards may be granted under the Share Award Scheme since the adoption of the 2024 Share Scheme on 23 May 2024. Therefore, the number of share awards available for future grant under the Share Award Scheme as at 1 January 2025 and 30 June 2025 was 0 and 0. For details, please refer to the circular of the Company dated 30 April 2024. The number of shares that may be issued in respect of awards granted under the Share Award Scheme during the reporting period divided by the weighted average number of shares in issue for the reporting period was 0.

OTHER INFORMATION (continued)

No award of shares shall be granted to any grantee which would result in the maximum number of awarded shares which are the subject of the awards of shares granted to such grantee (including any which have lapsed or have been forfeited) under the Share Award Scheme in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the issued share capital of the Company as at the date of such grant. Such shares will be acquired at the cost of the Company and therefore the grantee is not required to pay any purchase price for such shares. In addition, the grantee is not required to pay any amount for accepting the awarded shares granted.

The changes in the outstanding awarded shares under the Share Award Scheme in the first half of 2025 are summarized as follows:

Grantee/Participant	Date of grant	Vesting period	Changes in the number of awarded shares in the first half of 2025					Outstanding as at 30 Jun 2025
			Outstanding as at 1 Jan 2025	Granted	Vested	Lapsed	Cancelled	
Executive director								
Tao ZOU	1 July 2022	1 July 2023~1 July 2027	1,320,000	—	—	—	—	1,320,000
Subtotal for director			1,320,000	—	—	—	—	1,320,000
Other employees	24 April 2020	24 April 2021~24 April 2025	3,360	—	(3,360)	—	—	—
Other employees	25 March 2022	25 March 2023~25 March 2027	14,040	—	(4,680)	—	—	9,360
Other employees	19 July 2022	19 July 2023~19 July 2027	240,000	—	—	—	—	240,000
Other employees	27 March 2023	27 March 2023~27 March 2026	4,560	—	(2,280)	—	—	2,280
Other employees	27 March 2023	27 March 2024~27 March 2028	40,320	—	(10,080)	—	—	30,240
Other employees	21 April 2023	10 February 2024~10 February 2028	245,597	—	(61,403)	—	—	184,194
Other employees	20 October 2023	10 February 2024~10 February 2028	977,927	—	(244,482)	—	—	733,445
Other employees	1 December 2023	1 December 2024~1 December 2028	264,000	—	—	—	—	264,000
Other employees	4 December 2023	10 February 2024~10 February 2028	85,042	—	(21,260)	—	—	63,782
Other employees	21 March 2024	21 March 2025~21 March 2029	122,000	—	(24,400)	—	—	97,600
Subtotal for other employees			1,996,846	—	(371,945)	—	—	1,624,901
Total			3,316,846	—	(371,945)	—	—	2,944,901

Note: The weighted average closing price of the shares immediately before the dates on which the awarded shares were vested during the reporting period under the Share Award Scheme (i.e., 10 February 2025, 10 February 2025, 10 February 2025, 21 March 2025, 25 March 2025, 27 March 2025, 27 March 2025 and 24 April 2025) is HK\$42.3.

Kingsoft Office Share Award Schemes

For the purpose of providing incentives and rewards to eligible participants, including the senior management, core management personnel, technical backbones of the Kingsoft Office Group as determined by the board of Kingsoft Office (as the case may be), the shareholders of Kingsoft Office approved and adopted the 2021 Kingsoft Office Share Award Scheme on 2 June 2021, approved and adopted the 2022 Kingsoft Office Share Award Scheme on 28 April 2022, approved and adopted the 2023 Kingsoft Office Share Award Scheme on 6 June 2023, approved and adopted the 2024 Kingsoft Office Share Award Scheme on 28 May 2024, and approved and adopted the 2025 Kingsoft Office Share Award Scheme on 4 June 2025, in which selected employees of Kingsoft Office Group are entitled to participate. The participants of Kingsoft Office Share Award Schemes are not required to pay any amount for accepting the awarded shares of Kingsoft Office granted under the Kingsoft Office Share Award Schemes. The Kingsoft Office Share Award Schemes are valid and effective from the grant date of the share awards to the date when all the granted share awards are vested or lapsed, which should be no longer than 60 months. The vesting periods under the 2021 Kingsoft Office Share Award Scheme, 2022 Kingsoft Office Share Award Scheme, 2023 Kingsoft Office Share Award Scheme, 2024 Kingsoft Office Share Award Scheme, and 2025 Kingsoft Office Share Award are determinable by the board of directors of Kingsoft Office, and varied from 1 to 3 years, 1 to 3.5 years, 1 to 3 years, 1 to 3 years, and 1 to 5 years, respectively. The exercise period of the restricted shares granted under the 2021 Kingsoft Office Share Award Scheme, 2022 Kingsoft Office Share Award Scheme, 2023 Kingsoft Office Share Award Scheme, 2024 Kingsoft Office Share Award Scheme, and 2025 Kingsoft Office Share Award Scheme shall be any time after the end of the vesting period and before the first anniversary of the vested date.

The shares of Kingsoft Office that the directors of Kingsoft Office are authorised to issue under the 2021 Kingsoft Office Share Award Scheme, 2022 Kingsoft Office Share Award Scheme, 2023 Kingsoft Office Share Award Scheme, 2024 Kingsoft Office Share Award Scheme, and 2025 Kingsoft Office Share Award Scheme are up to 870,000 shares, 1,000,000 shares, 1,000,000 shares, 997,000 shares, and 3,460,000 shares representing approximately 0.19%, 0.22%, 0.22%, 0.22%, and 0.75% of total issued share capital of Kingsoft Office as at 30 June 2025, respectively. As at 1 January 2025, the 2025 Kingsoft Office Share Award Scheme was not yet adopted, and the number of awards available for future grant under the 2021 Kingsoft Office Share Award Scheme, 2022 Kingsoft Office Share Award Scheme, 2023 Kingsoft Office Share Award Scheme, and 2024 Kingsoft Office Share Award Scheme was 0, 0, 0, and 0, respectively. As at 30 June 2025, the number of awards available for future grant under the 2021 Kingsoft Office Share Award Scheme, 2022 Kingsoft Office Share Award Scheme, 2023 Kingsoft Office Share Award Scheme, 2024 Kingsoft Office Share Award Scheme, and 2025 Kingsoft Office Share Award Scheme was 0, 0, 0, 0, and 669,000 shares, respectively. The number of shares that may be issued in respect of awards granted under the 2021 Kingsoft Office Share Award Scheme, 2022 Kingsoft Office Share Award Scheme, 2023 Kingsoft Office Share Award Scheme, 2024 Kingsoft Office Share Award Scheme, and 2025 Kingsoft Office Share Award Scheme during the reporting period divided by the weighted average number of shares in issue for the reporting period was 0, 0, 0, 0, and approximately 0.75%, respectively.

The number of shares awards granted to any grantee through all the share award schemes of Kingsoft Office within the validity period shall not exceed 1% of the total issued shares of Kingsoft Office as at the date that the share award scheme is submitted to the shareholders' meeting of Kingsoft Office for consideration. The grant price of the restricted shares granted under the 2021 Kingsoft Office Share Award Scheme, 2022 Kingsoft Office Share Award Scheme, 2023 Kingsoft Office Share Award Scheme, 2024 Kingsoft Office Share Award Scheme, and 2025 Kingsoft Office Share Award Scheme is RMB45.86, RMB45.86, RMB150.00, RMB146.74, and RMB151.46, respectively, i.e., the grantees who have satisfied the conditions of grant and conditions of vesting shall have the right to subscribe for the restricted shares to be issued by the Kingsoft Office to them at such prices. The grantee is not required to pay any amount for accepting the awarded shares granted under the Kingsoft Office Share Award Schemes. An independent pricing methodology is adopted for determining the grant price of the restricted shares, the grant price and pricing methodology. Kingsoft Office has arrived at the grant price and pricing methodology upon taking into account factors including the prevailing market price per share of Kingsoft Office, the roles and responsibilities of the incentive participants, the effectiveness of the incentive scheme and the impact of the share payment costs of Kingsoft Office. As a result of the dividend distributions, the grant price of the restricted shares under the 2021 Kingsoft Office Share Award Scheme, 2022 Kingsoft Office Share Award Scheme, 2023 Kingsoft Office Share Award Scheme, and 2024 Kingsoft Office Share Award Scheme have been adjusted to RMB42.95, RMB43.55, RMB148.39, and RMB145.86, respectively, as of the date of this interim report.

OTHER INFORMATION (continued)

The changes in the outstanding restricted shares under the 2021 Kingsoft Office Share Award Scheme in the first half of 2025 are summarized as follows:

Grantee/Participant	Date of grant	Exercise period	Changes in the number of restricted shares in the first half of 2025					Outstanding as at 30 Jun 2025
			Outstanding as at 1 Jan 2025	Granted	Exercised	Lapsed	Cancelled	
Other employees	28 December 2021	28 December 2022~ 28 December 2025	32,300	—	(32,300)	—	—	—
Total			32,300	—	(32,300)	—	—	—

Notes:

1. The weighted average closing price of the shares of Kingsoft Office immediately before the date on which the restricted shares were exercised under the 2021 Kingsoft Office Share Award Scheme (i.e., 25 February 2025) is RMB373.72.
2. During the reporting period, none of restricted shares were vested and 32,300 restricted shares were exercised. For details, please refer to note 13 to the financial statements.

The changes in the outstanding restricted shares under the 2022 Kingsoft Office Share Award Scheme in the first half of 2025 are summarized as follows:

Grantee/Participant	Date of grant	Exercise period	Changes in the number of restricted shares in the first half of 2025					Outstanding as at 30 Jun 2025
			Outstanding as at 1 Jan 2025	Granted	Exercised	Lapsed	Cancelled	
Other employees	29 April 2022	29 April 2023~ 29 October 2026	260,715	—	(247,625)	(10,880)	—	2,210
Other employees	28 December 2022	28 December 2023~ 28 December 2026	127,032	—	(62,568)	(1,734)	—	62,730
Total			387,747	—	(310,193)	(12,614)	—	64,940

Notes:

1. The weighted average closing price of the shares of Kingsoft Office immediately before the dates on which the restricted shares were exercised under the 2022 Kingsoft Office Share Award Scheme (i.e., 25 February 2025 and 27 May 2025) is RMB304.23.
2. During the reporting period, 245,480 restricted shares were vested, and 310,193 restricted shares were exercised. For details, please refer to note 13 to the financial statements.
3. The vesting periods of the outstanding restricted shares granted under the 2022 Kingsoft Office Share Award Scheme were various from 3 to 3.5 years, respectively.

OTHER INFORMATION (continued)

The changes in the outstanding restricted shares under the 2023 Kingsoft Office Share Award Scheme in the first half of 2025 are summarized as follows:

Grantee/Participant	Date of grant	Exercise period	Changes in the number of restricted shares in the first half of 2025					Outstanding as at 30 Jun 2025
			Outstanding as at 1 Jan 2025	Granted	Exercised	Lapsed	Cancelled	
Other employees	6 June 2023	6 June 2024~ 6 June 2027	504,376	—	(245,949)	(8,935)	—	249,492
Other employees	28 December 2023	28 December 2024~ 28 December 2027	198,940	—	(65,208)	(1,340)	—	132,392
Total			703,316	—	(311,157)	(10,275)	—	381,884

Notes:

1. The weighted average closing price of the shares of Kingsoft Office immediately before the dates on which the restricted shares were exercised under the 2023 Kingsoft Office Share Award Scheme (i.e., 25 February 2025 and 27 May 2025) is RMB300.4.
2. During the reporting period, 245,949 restricted shares were vested, and 311,157 restricted shares were exercised. For details, please refer to note 13 to the financial statements.
3. The vesting periods of the outstanding restricted shares granted under the 2023 Kingsoft Office Share Award Scheme were various from 2 to 3 years.

The changes in the outstanding restricted shares under the 2024 Kingsoft Office Share Award Scheme in the first half of 2025 are summarized as follows:

Grantee/Participant	Date of grant	Exercise period	Changes in the number of restricted shares in the first half of 2025					Outstanding as at 30 Jun 2025
			Outstanding as at 1 Jan 2025	Granted	Exercised	Lapsed	Cancelled	
Other employees	29 May 2024	29 May 2025~ 29 May 2028	791,500	—	(258,390)	(8,500)	—	524,610
Other employees	27 Dec 2024	27 Dec 2025~ 27 Dec 2028	199,000	—	—	—	—	199,000
Total			990,500	—	(258,390)	(8,500)	—	723,610

Notes:

1. The weighted average closing price of the shares of Kingsoft Office immediately before the date on which the restricted shares were exercised under the 2024 Kingsoft Office Share Award Scheme (i.e., 6 June 2025) is RMB291.68.
2. During the reporting period, 258,390 restricted shares were vested and exercised. For details, please refer to note 13 to the financial statements.
3. The vesting periods of the outstanding restricted shares granted under the 2024 Kingsoft Office Share Award Scheme were various from 1 to 3 years.

OTHER INFORMATION (continued)

The changes in the outstanding restricted shares under the 2025 Kingsoft Office Share Award Scheme in the first half of 2025 are summarized as follows:

Grantee/Participant	Date of grant	Exercise period	Changes in the number of restricted shares in the first half of 2025					Outstanding as at 30 Jun 2025
			Outstanding as at 1 Jan 2025	Granted	Exercised	Lapsed	Cancelled	
Other employees	4 June 2025	4 June 2026~ 4 June 2031	—	2,791,000	—	—	—	2,791,000
Total			—	2,791,000	—	—	—	2,791,000

Notes:

- During the reporting period, no restricted shares were vested or exercised. For details, please refer to note 13 to the financial statements.
- The vesting periods of the outstanding restricted shares granted under the 2025 Kingsoft Office Share Award Scheme were various from 1 to 5 years.

During the six months ended 30 June 2025, the fair value of the restricted shares granted on 4 June 2025 under the 2025 Kingsoft Office Share Award Scheme was RMB480,093,000, which was estimated by management on the grant date. The closing price of the shares immediately before the above date on which the awards were granted was RMB279.23.

Grantee/Participant	Date of grant	Total number granted	Fair value of restricted shares granted
			RMB'000
Other employees	4 June 2025	2,791,000	480,093
Total		2,791,000	480,093

Note: Please refer to note 13 to the financial statements for details of accounting standards and policies for the fair value of restricted shares granted as at the respective date of grant.

Under the 2025 Kingsoft Office Share Award Scheme, vesting of the restricted shares granted during the period ended 30 June 2025 is subject to the achievement of certain pre-established performance targets, such as the growth rate of revenue and the growth rate of revenue from WPS 365 business of Kingsoft Office Group at the company's level and individual performance assessment at the participant's level. Kingsoft Office will determine the company-level vesting ratio and the participant-level vesting ratio according to the results of the relevant performance assessments at the company's level and participant's level. For details of the performance targets at the company's level and the participant's level, please refer to the Company's announcement dated 4 June 2025. The number of restricted shares that may actually be vested to the participants in the relevant year shall be calculated based on the following formula: the number of restricted shares planned to be vested to the participants in the current year x the company-level vesting ratio x the participant-level vesting ratio.

If the restricted shares to be vested to such grantees for a vesting period cannot be vested due to assessment reasons, the restricted shares shall lapse and be cancelled by Kingsoft Office and shall not be deferred to the following years.

OTHER INFORMATION (continued)

Seasun Holdings Share Award Scheme

On 21 March 2017, the shareholders and directors of Seasun Holdings approved and adopted the General Share Award Scheme, the Special Share Award Scheme (A) and the Special Share Award Scheme (B) in which selected employees of Seasun Holdings and its subsidiaries are entitled to participate. Unless early terminated by the directors of Seasun Holdings, the Seasun Holdings Share Award Scheme is valid and effective for a term of ten years commencing from 21 March 2017. The directors of Seasun Holdings are authorised to issue up to 50,832,211 shares, among which the total number of shares pursuant to the Special Share Award Scheme (A) shall be no greater than 3,138,889 and the total number of shares pursuant to the General Share Award Scheme and the Special Share Award Scheme (B) shall be no greater than 47,693,322, as at the date of such grant.

Kingsoft Shiyou Holdings Share Award Scheme

On 13 April 2022, the shareholders and directors of Kingsoft Shiyou approved and adopted the General Share Award Scheme and the Special Share Award Scheme in which selected employees of Kingsoft Shiyou and its subsidiaries are entitled to participate. Unless early terminated by the directors of Kingsoft Shiyou, the Kingsoft Shiyou Share Award Scheme is valid and effective for a term of ten years commencing from 13 April 2022. The directors of Kingsoft Shiyou are authorised to issue up to 50,000,000 shares pursuant to the General Share Award Scheme and the Special Share Award Scheme as at the date of such grant.

Neither Seasun Holdings Share Award Scheme nor Kingsoft Shiyou Holdings Share Award Scheme is a share award scheme of the Company or its principal subsidiary, therefore, none of the Seasun Holdings Share Award Scheme and Kingsoft Shiyou Holdings Share Award Scheme constitute a share award scheme subject to Chapter 17 of the Listing Rules.

More details regarding the share award schemes, including the accounting standard and policy adopted, are set out in note 13 to the financial statements.

Continuing Connected Transactions

References are made to the (i) continuing connected transactions with Xiaomi Group; (ii) advertisement service agreement between KOSC and Xiaomi Singapore; (iii) continuing connected transactions with Kingsoft Cloud Group (collectively the “**Continuing Connected Transactions**”) in the annual report of the Company for the year ended 31 December 2024. The independent non-executive Directors have reviewed the Continuing Connected Transactions and confirmed that such Continuing Connected Transactions had been entered into (i) in the ordinary and usual course of business of the Group, (ii) on normal commercial terms or better, and (iii) according to the agreement governing the transaction on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

OTHER INFORMATION (continued)

Substantial Shareholders

As at 30 June 2025, as far as the Directors are aware of, the following, other than the Directors or chief executive of the Company, had an interest in the shares or underlying shares in the Company which would 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 kept by the Company under section 336 of the SFO, or who were, directly or indirectly, interested in 5% or more of the issued capital of the Company:

Interests in the shares and underlying shares of the Company

Name of substantial shareholders	Capacity	Number of shares interested	% of the total number of issued shares (Note 1)	Nature of shares interested
Color Link Management Limited (Note 2)	Beneficial owner	174,818,191	12.48	Long position
Tencent Holdings Limited (Note 3)	Interest of controlled corporation	96,091,515	6.86	Long position
Topclick Holdings Limited (Note 4)	Beneficial owner	90,000,000	6.43	Long position
JPMorgan Chase & Co.	Beneficial owner/ Investment manager/ Person having a security interest in shares	72,611,387	5.18	Long position
	Beneficial owner	14,729,902	1.05	Short position
	Approved lending agent	31,393,872	2.24	Lending Pool

Notes:

1. % of the total number of issued shares was calculated on basis of the total number of issued shares of the Company as at 30 June 2025, which was 1,400,425,790.
2. Mr. Jun LEI is deemed to be interested in Color Link Management Limited's interest in the Company pursuant to Part XV of the SFO because Color Link Management Limited is wholly owned by Mr. Jun LEI.
3. These shares are held by TCH Saffron Limited, a wholly-owned subsidiary of Tencent Holdings Limited. As such, Tencent Holdings Limited, MIH TC Holdings Limited and Naspers Limited, its beneficial owners, are deemed to be interested in TCH Saffron Limited's interests in the Company pursuant to Part XV of the SFO.
4. These shares are held by Topclick Holdings Limited, a British Virgin Islands company wholly owned by Mr. Pak Kwan KAU. In addition, Mr. Jun LEI is also deemed to be interested in these shares under the SFO because under a voting consent agreement and its supplemental agreement entered into by Mr. Jun LEI and Mr. Pak Kwan KAU, Mr. Pak Kwan KAU would vote in the same way as Mr. Jun LEI with these shares.

Save as disclosed above, the Directors confirm that they are not aware of any other person who has beneficial interests or short positions in any of the shares or underlying shares in the Company which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, directly or indirectly, be interested in 5% or more of the nominal value of the shares carrying the right to vote in all circumstances at general meetings of the Company.

OTHER INFORMATION (continued)

Employee and Remuneration Policies

As at 30 June 2025, the Group had 8,471 full-time employees (30 June 2024: 7,231), inclusive of all its staff in China and overseas offices, most of whom are based in Beijing, Zhuhai and Wuhan, the PRC. The number of employees employed by the Group varies from time to time depending on business needs. Employee remuneration is determined in accordance with prevailing industry practice and employees' educational backgrounds, experiences and performance. The remuneration policy and package of the Group's employees are periodically reviewed. Apart from pension funds, in-house training programs, discretionary bonuses, medical insurance and mandatory provident fund, share awards and share options may be granted to employees according to the assessment of individual performance.

The total remuneration cost incurred by the Group for the six months ended 30 June 2025 was RMB2,160.5 million (for the six months ended 30 June 2024: RMB1,997.5 million).

Directors' Remuneration

Please refer to note 18 to the financial statements for details of the Directors' remuneration.

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

In May 2025, the Company repurchased 949,200 of its ordinary shares on the Stock Exchange at a price range from HK\$33.2 to HK\$35.1. In June 2025, the Company repurchased 620,800 of its ordinary shares on the Stock Exchange at a price range from HK\$31.65 to HK\$32.4. During the six months ended 30 June 2025, the Company repurchased a total of 1,570,000 of its own ordinary shares on the Stock Exchange at a total cost of approximately HK\$52.28 million. The Company considered that it is in the best interest of the shareholders of the Company to return some surplus funds to them which will in turn enhance shareholders' value. The Company did not have any treasury share (as defined in the Listing Rules) during the six months ended 30 June 2025.

Convertible Bonds

The Company completed the issue of the 2020 Convertible Bonds in the principal amount of HK\$3,100,000,000 on 29 April 2020. Unless previously redeemed, converted or purchased and cancelled, the Company will redeem each 2020 Convertible Bonds at 105.85% of its principal amount together with accrued and unpaid interest thereon on 29 April 2025. The net proceeds from the subscription of the 2020 Convertible Bonds, after deduction of commissions and other related expenses, were approximately HK\$3,033.94 million. The net proceeds of approximately HK\$3,033.94 million represents a net issue price of approximately HK\$35.0016 per conversion share based on the initial conversion price of HK\$35.7637 per conversion share.

The initial conversion price for each conversion share was HK\$35.7637, which represented (i) a premium of approximately 27.5% over the last closing price of HK\$28.05 per share as quoted on the Stock Exchange on 23 April 2020, being the trading day on which the subscription agreement was signed; (ii) a premium of approximately 30.2% over the average closing price of approximately HK\$27.46 per share as quoted on the Stock Exchange for the five consecutive trading days up to and including 23 April 2020; and (iii) a premium of approximately 36.6% over the average closing price of approximately HK\$26.19 per share as quoted on the Stock Exchange for the ten consecutive trading days up to and including 23 April 2020. The 2020 Convertible Bonds were offered and sold to no less than six independent placees (who were independent individual, corporate and/or institutional investors). The 2020 Convertible Bonds have been listed on the Stock Exchange since 4 May 2020. The interest is 0.625% per annum of the principal amount of the 2020 Convertible Bonds, payable semi-annually in arrear in equal instalments of HK\$3,125 per calculation amount (i.e. interest in respect of any 2020 Convertible Bond shall be calculated per HK\$1,000,000 in principal amount of the 2020 Convertible Bonds) on 29 April and 29 October in each year. The Company intended to use the net proceeds from the subscription primarily for general corporate purposes, for strategic investments and acquisitions, if appropriate, and to supplement working capital, which is in accordance with the proposed uses as disclosed in the announcement of the Company dated 24 April 2020. The Directors are of the view that the issue of the 2020 Convertible Bonds can provide the Company with additional funds at lower funding cost for the said purposes.

OTHER INFORMATION (continued)

In accordance with the terms and conditions of the 2020 Convertible Bonds, the dividend payments made after the issuance of the 2020 Convertible Bonds resulted in adjustments to the conversion price of the 2020 Convertible Bonds and the conversion price of the 2020 Convertible Bonds was adjusted to HK\$34.77 per share after the latest adjustment became effective on 8 June 2024.

During the period from 11 April 2025 to 17 April 2025, the Company issued a total number of 65,401,193 shares to the bondholders from which it received conversion notices. Such convertible bonds, representing principal amount of approximately HK\$2,274 million in aggregate, had been converted at the prevailing adjusted conversion price of HK\$34.77 per share and cancelled in accordance with the terms and conditions of the 2020 Convertible Bonds.

Pursuant to the terms and conditions of the 2020 Convertible Bonds, on 29 April 2025 (i.e., the maturity date of the 2020 Convertible Bonds), the Company has fully redeemed the outstanding 2020 Convertible Bonds at the principal amount of approximately HK\$826 million together with all accrued and unpaid interests and fees thereon. Accordingly, there are no outstanding 2020 Convertible Bonds in issue following the aforesaid redemption and the 2020 Convertible Bonds have been cancelled and delisted from the Stock Exchange as at 29 April 2025.

The net proceeds in the amount of approximately HK\$3,033.94 million (after deduction of commissions and other related expenses) were partially utilised, of which the net proceeds proposed to be used for strategic investments and acquisitions were not fully utilised as at 30 June 2025. Therefore, in light of the amount of unutilized proceeds as at 30 June 2025, the Company intends to bring forward the unutilised amount beyond the year 2025. Save as disclosed above, there has been no change in the use of net proceeds raised from the issue of the 2020 Convertible Bonds and the net proceeds are proposed to be used according to the intentions previously disclosed in the announcement of the Company dated 24 April 2020 and the annual reports of the Company.

The actual use of the net proceeds raised from the issue of the 2020 Convertible Bonds as at 30 June 2025 and the expected timeline for use of unutilized proceeds is set out as follows:

Proposed use of proceeds	Amount utilized during the first half of 2025 (HK\$ million)	Actual use of proceeds as at 30 June 2025 (HK\$ million)	Unutilized proceeds (HK\$ million)	Expected timeline for use of unutilized proceeds
Strategic investments and acquisitions	566.79	940.61	1,459.38	By 2027
General corporate purposes	6.17	633.95	—	By 2025

During the six months ended 30 June 2025, the net proceeds raised from the issue of the 2020 Convertible Bonds were utilised according to the intentions previously disclosed in the announcement of the Company dated 24 April 2020, the annual reports and interim reports of the Company.

References are made to the announcements of the Company dated 24 April 2020 and 29 April 2020 for principal terms of the 2020 Convertible Bonds. For details of the adjustments to the conversion price of the 2020 Convertible Bonds, please refer to the announcements of the Company dated 26 May 2021 and 23 May 2024. For details of the partial conversion of the 2020 Convertible Bonds, please refer to the announcements of the Company dated 14 April 2025, 15 April 2025, 16 April 2025 and 17 April 2025. References are made to the announcement of the Company dated 29 April 2025 for fully redeemed the outstanding 2020 Convertible Bonds upon maturity.

OTHER INFORMATION (continued)

Review by Audit Committee

The Audit Committee has been established since year 2007 with responsibility of assisting the Board in providing an independent review of the financial statements and internal control system. It acts in accordance with its terms of reference which clearly defines its membership, authority, duties and frequency of meetings. It meets regularly with our management, external auditor and internal audit personnel to discuss accounting principles and practices adopted by the Group and internal control and financial reporting matters. The Audit Committee is comprised of independent non-executive Directors, namely Ms. Wenjie WU (chairman), Mr. Shun Tak WONG, and Mr. Zuotao CHEN.

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters. The Audit Committee has reviewed the Group's unaudited interim financial information for the six months ended 30 June 2025.

Compliance with Model Code for Securities Transactions

The Company has adopted the Model Code as set out in Appendix C3 of the Listing Rules as its own code of conduct regarding securities transactions by Directors. Having made specific enquiry to all Directors, all Directors confirmed that they had complied with the required standards set out in the Model Code throughout the six months ended 30 June 2025.

Corporate Governance Code

The Directors, having reviewed the corporate governance practices of the Company, confirm that the Company has complied with all the applicable code provisions as set out in the CG Code contained in Appendix C1 to the Listing Rules except for the code provision D.1.2 of the CG Code.

The code provision D.1.2 of the CG Code requires management to provide all members of the board with monthly updates on the issuer's business. The management of the Company currently reports to the Board quarterly on the Group's performance, position and prospects. The Board believes that with the executive Directors overseeing the daily operation of the Group and the effective communication among the executive Directors, the management and the non-executive Directors (including the independent non-executive Directors) on the Group's affairs, the current practice is sufficient enough for the members of the Board to discharge their duties. The Board will continue to review this practice and shall make necessary changes when appropriate and report to the shareholders accordingly.

Appreciation

On behalf of the Board, I would like to express our sincere thanks to our shareholders and investors for their continuous support and confidence in us. I would like to thank our employees for their hard work and valuable contributions which are the core elements of the Company's success.

On behalf of the Board
Kingsoft Corporation Limited

Jun Lei
Chairman

Hong Kong, 20 August 2025

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

		FOR THE THREE MONTHS ENDED 30 JUNE		FOR THE SIX MONTHS ENDED 30 JUNE	
		2025 RMB'000 (UNAUDITED)	2024 RMB'000 (UNAUDITED)	2025 RMB'000 (UNAUDITED)	2024 RMB'000 (UNAUDITED)
NOTES					
REVENUE	4	2,307,412	2,473,766	4,645,407	4,610,641
Cost of revenue		(453,784)	(431,731)	(873,193)	(827,953)
Gross profit		1,853,628	2,042,035	3,772,214	3,782,688
Research and development costs		(853,753)	(741,263)	(1,681,606)	(1,454,051)
Selling and distribution expenses		(424,031)	(379,407)	(764,499)	(640,699)
Administrative expenses		(173,641)	(155,353)	(333,929)	(315,626)
Share-based compensation costs		(71,090)	(81,794)	(124,775)	(158,263)
Other income	4	53,909	106,230	123,029	177,531
Other expenses		(2,364)	3,589	(6,323)	4,035
Operating profit		382,658	794,037	984,111	1,395,615
Other gains/(losses), net	5	442,852	(12,273)	420,561	(16,579)
Finance income		165,505	162,564	353,182	351,148
Finance costs		(9,456)	(44,738)	(54,345)	(88,334)
Share of profits and losses of:					
Joint ventures		(7,637)	(5,485)	(19,966)	(15,100)
Associates		(170,109)	(169,192)	(322,833)	(337,913)
PROFIT BEFORE TAX	6	803,813	724,913	1,360,710	1,288,837
Income tax expense	7	(104,251)	(48,372)	(152,584)	(90,707)
PROFIT FOR THE PERIOD		699,562	676,541	1,208,126	1,198,130
Attributable to:					
Owners of the parent		532,440	393,353	816,314	677,923
Non-controlling interests		167,122	283,188	391,812	520,207
		699,562	676,541	1,208,126	1,198,130
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	8				
Basic		RMB0.39	RMB0.29	RMB0.60	RMB0.51
Diluted		RMB0.38	RMB0.28	RMB0.59	RMB0.49

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	FOR THE THREE MONTHS ENDED 30 JUNE		FOR THE SIX MONTHS ENDED 30 JUNE	
	2025 RMB'000 (UNAUDITED)	2024 RMB'000 (UNAUDITED)	2025 RMB'000 (UNAUDITED)	2024 RMB'000 (UNAUDITED)
PROFIT FOR THE PERIOD	699,562	676,541	1,208,126	1,198,130
OTHER COMPREHENSIVE INCOME/(LOSS)				
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:				
Exchange differences:				
Exchange differences on translation into presentation currency	52,993	(35,301)	67,676	(41,529)
Reclassification to profit or loss from deemed disposal of associates	(2,530)	(1,619)	(2,590)	(1,745)
Share of other comprehensive income/(loss) of associates	11,947	(1,541)	15,316	21,114
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	62,410	(38,461)	80,402	(22,160)
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:				
Exchange differences:				
Exchange differences of the Company on translation into presentation currency	(123,618)	42,946	(140,571)	52,646
Equity investments designated at fair value through other comprehensive income:				
Changes in fair value, net of tax	(8,462)	—	(17,814)	—
Share of other comprehensive loss of an associate	—	(584)	—	(584)
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods	(132,080)	42,362	(158,385)	52,062
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	(69,670)	3,901	(77,983)	29,902
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	629,892	680,442	1,130,143	1,228,032
Attributable to:				
Owners of the parent	465,729	394,830	747,489	706,576
Non-controlling interests	164,163	285,612	382,654	521,456
	629,892	680,442	1,130,143	1,228,032

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

		30 JUNE 2025 RMB'000 (UNAUDITED)	31 DECEMBER 2024 RMB'000 (AUDITED)
	NOTES		
NON-CURRENT ASSETS			
Property, plant and equipment		2,293,400	2,215,482
Investment properties		162,096	164,075
Right-of-use assets		321,491	335,986
Goodwill		185,564	185,564
Other intangible assets		84,104	83,944
Investments in joint ventures		811,679	831,645
Investments in associates		3,999,712	3,484,092
Equity investment designated at fair value through other comprehensive income		—	17,814
Financial assets at fair value through profit or loss		546,552	551,270
Deferred tax assets		117,102	137,223
Other non-current assets		35,880	36,983
Total non-current assets		8,557,580	8,044,078
CURRENT ASSETS			
Inventories		11,703	11,465
Trade receivables	9	732,537	698,070
Prepayments, other receivables and other assets		3,006,401	2,945,726
Financial assets at fair value through profit or loss		2,559,928	2,764,308
Restricted cash	10	3,039	5,806
Cash and bank deposits	10	22,594,016	23,815,022
Total current assets		28,907,624	30,240,397
CURRENT LIABILITIES			
Trade payables	11	594,712	478,381
Other payables and accruals		1,448,300	2,056,722
Lease liabilities		21,284	22,533
Contract liabilities		2,782,792	2,822,856
Income tax payable		188,496	343,107
Liability component of convertible bonds		—	2,985,899
Derivative financial instrument		—	7,116
Total current liabilities		5,035,584	8,716,614
NET CURRENT ASSETS		23,872,040	21,523,783
TOTAL ASSETS LESS CURRENT LIABILITIES		32,429,620	29,567,861

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

30 June 2025

		30 JUNE 2025 RMB'000 (UNAUDITED)	31 DECEMBER 2024 RMB'000 (AUDITED)
	NOTES		
NON-CURRENT LIABILITIES			
Contract liabilities		989,962	929,952
Deferred tax liabilities		228,221	205,294
Lease liabilities		11,245	11,782
Other non-current liabilities		11,183	8,431
Total non-current liabilities		1,240,611	1,155,459
NET ASSETS		31,189,009	28,412,402
EQUITY			
Equity attributable to owners of the parent			
Issued capital	12	5,420	5,187
Share premium account	12	3,832,719	1,439,985
Treasury shares	12	(238,860)	(137,342)
Equity component of convertible bonds	14	—	468,700
Reserves		21,524,691	20,679,746
		25,123,970	22,456,276
Non-controlling interests		6,065,039	5,956,126
TOTAL EQUITY		31,189,009	28,412,402

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	ATTRIBUTABLE TO OWNERS OF THE PARENT												TOTAL EQUITY RMB'000 (UNAUDITED)
	ISSUED CAPITAL RMB'000 (UNAUDITED)	SHARE PREMIUM ACCOUNT RMB'000 (UNAUDITED)	TREASURY SHARES RMB'000 (UNAUDITED)	EQUITY COMPONENT OF CONVERTIBLE BONDS RMB'000 (UNAUDITED)	STATUTORY RESERVES RMB'000 (UNAUDITED)	SHARE-BASED COMPENSATION RESERVE RMB'000 (UNAUDITED)	OTHER CAPITAL RESERVE RMB'000 (UNAUDITED)	FAIR VALUE RESERVE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME RMB'000 (UNAUDITED)	FOREIGN CURRENCY TRANSLATION RESERVE RMB'000 (UNAUDITED)	RETAINED PROFITS RMB'000 (UNAUDITED)	TOTAL RMB'000 (UNAUDITED)	NON- CONTROLLING INTERESTS RMB'000 (UNAUDITED)	
At 1 January 2025	5,187	1,439,985	(137,342)	468,700	1,367,405 ^d	796,519 ^d	5,973,165 ^d	10,434 ^d	376,749 ^d	12,155,474 ^d	22,456,276	5,956,126	28,412,402
Profit for the period	—	—	—	—	—	—	—	—	—	816,314	816,314	391,812	1,208,126
Other comprehensive income/(loss) for the period:													
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	—	—	—	—	—	—	—	(12,936)	—	—	(12,936)	(4,878)	(17,814)
Exchange differences on translation into presentation currency	—	—	—	—	—	—	—	—	(68,615)	—	(68,615)	(4,280)	(72,895)
Reclassification to profit or loss from deemed disposal of associates	—	—	—	—	—	—	—	—	(2,590)	—	(2,590)	—	(2,590)
Share of other comprehensive income of associates	—	—	—	—	—	—	—	—	15,316	—	15,316	—	15,316
Total comprehensive income for the period	—	—	—	—	—	—	—	(12,936)	(55,889)	816,314	747,489	382,654	1,130,143
Dividends paid to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	(252,826)	(252,826)
Final 2024 dividend declared (note 15)	—	(190,472)	—	—	—	—	—	—	—	—	(190,472)	—	(190,472)
Share-based compensation costs (note 13)	—	—	—	—	—	70,180	—	—	—	—	70,180	54,724	124,904
Vesting and settlement of share-based awards	—	13,845	1,555	—	—	(15,400)	—	—	—	—	—	—	—
Exercise and vesting of share-based awards issued by subsidiaries	—	—	—	—	—	(148,317)	177,667	—	—	—	29,350	28,904	58,254
Conversion of convertible bonds (note 14)	237	2,589,509	—	(343,814)	—	—	—	—	—	—	2,245,932	—	2,245,932
Redemption of convertible bonds (note 14)	—	—	—	(124,886)	—	—	127,118	—	(2,232)	—	—	—	—
Shares repurchased for share award scheme (note 12)	—	—	(75,211)	—	—	—	—	—	—	—	(75,211)	—	(75,211)
Shares repurchased for cancellation (note 12)	—	—	(48,014)	—	—	—	—	—	—	—	(48,014)	—	(48,014)
Shares cancelled (note 12)	(4)	(20,148)	20,152	—	—	—	—	—	—	—	—	—	—
Changes in the ownership of interests in subsidiaries	—	—	—	—	—	—	(109,623)	—	—	—	(109,623)	(104,543)	(214,166)
Share of reserves of an associate	—	—	—	—	—	—	(1,937)	—	—	—	(1,937)	—	(1,937)
Disposal of a subsidiary	—	—	—	—	(1,115)	—	—	—	—	1,115	—	—	—
At 30 June 2025	5,420	3,832,719	(238,860)	—	1,366,290 ^d	702,982 ^d	6,166,390 ^d	(2,502) ^d	318,628 ^d	12,972,903 ^d	25,123,970	6,065,039	31,189,009

These reserve accounts comprise the consolidated reserves of RMB21,524,691,000 (31 December 2024: RMB20,679,746,000) in the interim condensed consolidated statement of financial position.

	ATTRIBUTABLE TO OWNERS OF THE PARENT												TOTAL EQUITY RMB'000 (UNAUDITED)
	ISSUED CAPITAL RMB'000 (UNAUDITED)	SHARE PREMIUM ACCOUNT RMB'000 (UNAUDITED)	TREASURY SHARES RMB'000 (UNAUDITED)	EQUITY COMPONENT OF CONVERTIBLE BONDS RMB'000 (UNAUDITED)	STATUTORY RESERVES RMB'000 (UNAUDITED)	SHARE-BASED COMPENSATION RESERVE RMB'000 (UNAUDITED)	OTHER CAPITAL RESERVE RMB'000 (UNAUDITED)	FAIR VALUE RESERVE OF FINANCIAL ASSETS	FOREIGN CURRENCY TRANSLATION RESERVE RMB'000 (UNAUDITED)	RETAINED PROFITS RMB'000 (UNAUDITED)	TOTAL RMB'000 (UNAUDITED)	NON- CONTROLLING INTERESTS RMB'000 (UNAUDITED)	
								AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME RMB'000 (UNAUDITED)					
At 1 January 2024	5,292	2,187,981	(306,558)	468,700	1,093,947	762,575	5,863,649	11,208	324,920	10,877,319	21,289,033	5,284,224	26,573,257
Profit for the period	—	—	—	—	—	—	—	—	—	677,923	677,923	520,207	1,198,130
Other comprehensive income(loss) for the period:													
Exchange differences on translation into presentation currency	—	—	—	—	—	—	—	—	9,868	—	9,868	1,249	11,117
Reclassification to profit or loss from deemed disposal of associates	—	—	—	—	—	—	—	—	(1,745)	—	(1,745)	—	(1,745)
Share of other comprehensive income(loss) of associates	—	—	—	—	—	—	—	(584)	21,114	—	20,530	—	20,530
Total comprehensive income for the period	—	—	—	—	—	—	—	(584)	29,237	677,923	706,576	521,456	1,228,032
Dividends paid to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	(374,975)	(374,975)
Final 2023 dividend declared	—	(170,337)	—	—	—	—	—	—	—	—	(170,337)	—	(170,337)
Share-based compensation costs (note 13)	—	—	—	—	—	92,158	—	—	—	—	92,158	66,239	158,397
Vesting and settlement of share-based awards	—	8,182	806	—	—	(8,988)	—	—	—	—	—	—	—
Exercise and vesting of share-based awards issued by subsidiaries	—	—	—	—	—	(30,892)	35,880	—	—	—	4,988	6,123	11,111
Shares repurchased for share award scheme	—	—	(35,673)	—	—	—	—	—	—	—	(35,673)	—	(35,673)
Shares repurchased for cancellation	—	—	(351,347)	—	—	—	—	—	—	—	(351,347)	—	(351,347)
Shares cancelled	(94)	(536,433)	536,527	—	—	—	—	—	—	—	—	—	—
Changes in the ownership interests in subsidiaries	—	—	—	—	—	—	(20,688)	—	—	—	(20,688)	(14,772)	(35,460)
At 30 June 2024	5,198	1,489,393	(156,245)	468,700	1,093,947	814,853	5,878,841	10,624	354,157	11,555,242	21,514,710	5,488,295	27,003,005

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

		FOR THE SIX MONTHS ENDED 30 JUNE	
		2025	2024
		RMB'000	RMB'000
	NOTES	(UNAUDITED)	(UNAUDITED)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		1,360,710	1,288,837
Adjustments for:			
(Gain)/loss on disposal of property, plant and equipment		(80)	182
Depreciation of property, plant and equipment	6	80,507	75,609
Depreciation of investment properties	6	3,017	3,007
Depreciation of right-of-use assets	6	18,812	25,323
Amortisation of other intangible assets	6	13,200	11,947
Finance costs	6	54,345	88,334
Finance income		(353,182)	(351,148)
Fair value gains on financial instruments at fair value through profit or loss, net	5	(25,297)	(44,799)
Share-based compensation costs		124,775	158,263
Impairment of trade and other receivables	6	3,199	1,597
Share of losses of joint ventures		19,966	15,100
Share of losses of associates		322,833	337,913
Foreign exchange differences, net	5	(37,261)	7,842
Gain on liquidation of a joint venture	5	—	(106)
Loss on disposal and partial disposal of associates	5	4,683	—
(Gain)/loss on deemed disposal of associates	5	(362,686)	53,642
		1,227,541	1,671,543
Increase in trade receivables		(38,411)	(138,756)
Decrease in prepayments, other receivables and other assets		45,218	29,618
Decrease/(increase) in other non-current assets		1,103	(5,168)
(Increase)/decrease in inventories		(238)	904
Increase/(decrease) in trade payables		116,312	(42,362)
Increase in contract liabilities		19,947	221,223
Decrease in other payables and accruals		(470,323)	(195,399)
Cash generated from operations		901,149	1,541,603
Interest received		48,464	71,309
Income tax paid		(284,751)	(238,650)
Net cash flows from operating activities		664,862	1,374,262

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the six months ended 30 June 2025

		FOR THE SIX MONTHS ENDED 30 JUNE	
	NOTES	2025 RMB'000 (UNAUDITED)	2024 RMB'000 (UNAUDITED)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		262,487	453,050
Purchases of property, plant and equipment		(187,516)	(158,947)
Purchases of other intangible assets		(15,116)	(5,377)
Decrease/(increase) in time deposits with original maturity of over three months when acquired		2,108,244	(5,703,899)
Investments in associates		(538,916)	—
Redemption/(Purchases) of financial assets at fair value through profit or loss		237,675	(373,560)
Disposal of property, plant and equipment		639	85
Disposal of a subsidiary		(549)	—
Liquidation of a joint venture		—	106
Proceeds from disposal and partial disposal of associates		49,538	—
Decrease/(increase) in other loans		1,000	(999,500)
Dividends received from an associate		—	291
Net cash flows from/(used in) investing activities		1,917,486	(6,787,751)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the six months ended 30 June 2025

		FOR THE SIX MONTHS ENDED 30 JUNE	
	NOTES	2025 RMB'000 (UNAUDITED)	2024 RMB'000 (UNAUDITED)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repurchase of shares		(123,225)	(387,020)
Proceeds from exercise of share options		61,490	62,052
Cash settlement of share options issued by a subsidiary		(3,236)	(3,739)
Principal portion of lease payments		(6,360)	(20,882)
Dividends paid	15	(190,472)	(170,337)
Dividends paid to non-controlling interests		(312,910)	(303,490)
Interest paid		(3,239)	(10,565)
Redemption of convertible bonds		(811,593)	—
Repayment of financial liabilities		(75,418)	—
Capital injection from non-controlling shareholders		4,880	—
Acquisition of shares of a subsidiary		(216,423)	—
Repurchase of shares of a subsidiary		—	(35,461)
Net cash flows used in financing activities		(1,676,506)	(869,442)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		905,842	(6,282,931)
Cash and cash equivalents at beginning of the period		3,703,586	8,707,372
Effect of foreign exchange rate changes, net		(16,731)	6,542
CASH AND CASH EQUIVALENTS AT END OF PERIOD		4,592,697	2,430,983
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	10	2,535,688	1,827,275
Deposits with original maturity of less than three months when acquired	10	2,057,009	603,708
CASH AND CASH EQUIVALENTS AS STATED IN THE CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS		4,592,697	2,430,983

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2025

1. CORPORATE INFORMATION

Kingsoft Corporation Limited (the “Company”) was incorporated under the Companies Act of the British Virgin Islands on 20 March 1998. On 15 November 2005, the Company was redomiciled to the Cayman Islands under the Company Law (2004 revision) of the Cayman Islands. The registered office of the Company is located at P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The Company’s shares have been listed on the Stock Exchange of Hong Kong Limited since 9 October 2007.

The principal place of business of the Company is located at Building D, Xiaomi Campus, No. 33 Xierqi Middle Road, Haidian District, Beijing, the People’s Republic of China (“PRC”).

During the six months ended 30 June 2025, the Company and its subsidiaries (together, the “Group”) were involved in the following principal activities:

- research and development and provision of WPS Office, WPS 365, WPS AI and other office products and services; and
- research and development of games, and provision of PC games, mobile games services, etc.

2. BASIS OF PREPARATION AND CHANGES IN MATERIAL ACCOUNTING POLICIES

2.1. Basis of preparation

The interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 *Interim Financial Reporting* issued by the International Accounting Standards Board.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2024. The interim condensed consolidated statements of profit or loss for the three months ended 30 June 2025 and 2024 included in page 28 of the interim financial information is only for reference.

2.2. Changes in material accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2024, which have been prepared in accordance with IFRS Accounting Standards, except for the adoption of the following revised IFRS Accounting Standard for the first time for the current year’s financial statements.

Amendments to IAS 21

Lack of Exchangeability

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

30 June 2025

2. BASIS OF PREPARATION AND CHANGES IN MATERIAL ACCOUNTING POLICIES (continued)

2.2. Changes in material accounting policies (continued)

The nature and impact of the amended IFRS Accounting Standard are described below:

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

3. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has two reportable operating segments as follows:

- (a) the office software and services segment engages in the research and development and provision of WPS Office, WPS 365, WPS AI and other office products and services; and
- (b) the entertainment software and others segment engages in the research and development of games, and provision of PC games, mobile games services, etc.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that net other gains/(losses), finance income, non-lease-related finance costs as well as share of profits and losses of joint ventures and associates are excluded from such measurement.

	OFFICE SOFTWARE AND SERVICES RMB'000 (UNAUDITED)	ENTERTAINMENT SOFTWARE AND OTHERS RMB'000 (UNAUDITED)	TOTAL RMB'000 (UNAUDITED)
For the six months ended 30 June 2025			
Segment revenue			
Sales	2,657,122	1,988,285	4,645,407
Segment results	656,834	326,435	983,269
<i>Reconciliation:</i>			
Other gains, net			420,561
Finance income			353,182
Finance costs (other than interest on lease liabilities)			(53,503)
Share of profits and losses of:			
Joint ventures			(19,966)
Associates			(322,833)
Profit before tax			1,360,710

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

30 June 2025

3. SEGMENT INFORMATION (continued)

	OFFICE SOFTWARE AND SERVICES RMB'000 (UNAUDITED)	ENTERTAINMENT SOFTWARE AND OTHERS RMB'000 (UNAUDITED)	TOTAL RMB'000 (UNAUDITED)
For the six months ended 30 June 2024			
Segment revenue			
Sales	2,413,079	2,197,562	4,610,641
Segment results	640,228	753,612	1,393,840
<i>Reconciliation:</i>			
Other losses, net			(16,579)
Finance income			351,148
Finance costs (other than interest on lease liabilities)			(86,559)
Share of profits and losses of:			
Joint ventures			(15,100)
Associates			(337,913)
Profit before tax			1,288,837

Geographical information

(a) Revenue from external customers:

	FOR THE SIX MONTHS ENDED 30 JUNE	
	2025 RMB'000 (UNAUDITED)	2024 RMB'000 (UNAUDITED)
Mainland China	4,375,679	4,337,015
Hong Kong	143,696	143,943
Other countries/regions	126,032	129,683
Total	4,645,407	4,610,641

The revenue information above is based on the locations of the Group's operations.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

30 June 2025

3. SEGMENT INFORMATION (continued)

Geographical information (continued)

(b) Non-current assets:

	30 JUNE 2025 RMB'000 (UNAUDITED)	31 DECEMBER 2024 RMB'000 (AUDITED)
Mainland China	3,062,307	3,002,461
Other countries/regions	2,476	2,637
Total	3,064,783	3,005,098

The non-current asset information above is based on the locations of the assets and excludes financial instruments, deferred tax assets and investments in associates and joint ventures.

4. REVENUE AND OTHER INCOME

An analysis of revenue is as follows:

	FOR THE SIX MONTHS ENDED 30 JUNE	
	2025 RMB'000 (UNAUDITED)	2024 RMB'000 (UNAUDITED)
Revenue from contracts with customers	4,638,445	4,591,094
Revenue from other sources		
Gross rental income from investment property operating leases:		
Lease payments, including fixed payments	6,962	19,547
Total	4,645,407	4,610,641

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

30 June 2025

4. REVENUE AND OTHER INCOME (continued)

Disaggregated revenue information — for revenue from contracts with customers

For the six months ended 30 June 2025

SEGMENTS	OFFICE SOFTWARE AND SERVICES RMB'000 (UNAUDITED)	ENTERTAINMENT SOFTWARE AND OTHERS RMB'000 (UNAUDITED)	TOTAL RMB'000 (UNAUDITED)
Types of goods or services			
Sales and subscription of software and related services	2,641,639	—	2,641,639
Game services	—	1,792,485	1,792,485
Royalties	—	112,646	112,646
Others	14,848	76,827	91,675
Total	2,656,487	1,981,958	4,638,445
Geographical markets			
Mainland China	2,512,689	1,856,028	4,368,717
Hong Kong	86,783	56,913	143,696
Other countries/regions	57,015	69,017	126,032
Total	2,656,487	1,981,958	4,638,445

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

30 June 2025

4. REVENUE AND OTHER INCOME (continued)

Disaggregated revenue information — for revenue from contracts with customers (continued)

For the six months ended 30 June 2024

SEGMENTS	OFFICE SOFTWARE AND SERVICES RMB'000 (UNAUDITED)	ENTERTAINMENT SOFTWARE AND OTHERS RMB'000 (UNAUDITED)	TOTAL RMB'000 (UNAUDITED)
Types of goods or services			
Sales and subscription of software and related services	2,391,497	—	2,391,497
Game services	—	1,966,676	1,966,676
Royalties	—	135,390	135,390
Others*	20,735	76,796	97,531
Total	2,412,232	2,178,862	4,591,094
Geographical markets			
Mainland China	2,308,355	2,009,113	4,317,468
Hong Kong	67,652	76,291	143,943
Other countries/regions	36,225	93,458	129,683
Total	2,412,232	2,178,862	4,591,094

* Considering the Group has suspended its domestic online marketing service since December 2023, the remaining revenue from overseas online marketing service is considered insignificant and has been classified into other revenue stream, and the corresponding comparative amounts have been reclassified and restated to confirm with the current year's presentation.

Other income

	FOR THE SIX MONTHS ENDED 30 JUNE	
	2025 RMB'000 (UNAUDITED)	2024 RMB'000 (UNAUDITED)
Value-added tax refund	95,393	161,551
Government grants*	21,842	11,743
Others	5,794	4,237
Total	123,029	177,531

* There are no unfulfilled conditions or contingencies relating to these government grants.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

30 June 2025

5. OTHER GAINS/(LOSSES), NET

	FOR THE SIX MONTHS ENDED 30 JUNE	
	2025 RMB'000 (UNAUDITED)	2024 RMB'000 (UNAUDITED)
Gain/(loss) on deemed disposal of associates	362,686	(53,642)
Gain on liquidation of a joint venture	—	106
Loss on disposal and partial disposal of associates	(4,683)	—
Foreign exchange differences, net	37,261	(7,842)
Fair value gains on financial instruments at fair value through profit or loss, net	25,297	44,799
Total other gains/(losses), net	420,561	(16,579)

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	FOR THE SIX MONTHS ENDED 30 JUNE	
	2025 RMB'000 (UNAUDITED)	2024 RMB'000 (UNAUDITED)
Employee benefit expenses	2,160,535	1,997,549
Depreciation of property, plant and equipment	80,507	75,609
Depreciation of investment properties	3,017	3,007
Depreciation of right-of-use assets	18,812	25,323
Amortisation of other intangible assets	13,200	11,947
Interest on lease liabilities, convertible bonds and other liabilities	54,345	88,334
Impairment of trade and other receivables	3,199	1,597

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

30 June 2025

7. INCOME TAX EXPENSE

PRC corporate income tax represents the tax charged on the estimated assessable profits arising in the Mainland China during the period. In general, the PRC subsidiaries of the Group are subject to the PRC corporate income tax rate of 25% except for certain PRC subsidiaries which are entitled to tax holidays and preferential tax rates.

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (2024: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2024: 8.25%) and the remaining assessable profits are taxed at 16.5% (2024: 16.5%).

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	FOR THE SIX MONTHS ENDED 30 JUNE	
	2025 RMB'000 (UNAUDITED)	2024 RMB'000 (UNAUDITED)
Current income tax	109,536	210,060
Deferred income tax	43,048	(119,353)
Income tax expense	152,584	90,707

Pillar two income taxes

The Group is within the scope of the Pillar Two model rules. The Group has applied the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes, and accounts for the Pillar Two income taxes as current tax when incurred. Pillar Two model rules have become effective in certain jurisdictions in which certain subsidiaries of the Group are incorporated and as more countries prepare to enact the Pillar Two model rules, the Group is in the process of assessing the top up tax impact exposure for the year ending 31 December 2025 and afterwards.

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,355,942,458 (six months ended 30 June 2024: 1,335,770,539) outstanding during the period.

The calculation of diluted earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent, adjusted to reflect the impact on earnings arising from the share option schemes and the award share schemes adopted by the Group's subsidiaries. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

30 June 2025

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (continued)

The calculations of basic and diluted earnings per share are based on:

	FOR THE SIX MONTHS ENDED 30 JUNE	
	2025 RMB'000 (UNAUDITED)	2024 RMB'000 (UNAUDITED)
<i>Earnings</i>		
Profit attributable to ordinary equity holders of the parent used in the basic earnings per share calculation:	816,314	677,923
Decrease in earnings adjusted for the share option schemes and the share award schemes adopted by the Group's subsidiaries	(7,850)	(24,151)
Adjusted profit attributable to ordinary equity holders of the parent	808,464	653,772
	NUMBER OF SHARES FOR THE SIX MONTHS ENDED 30 JUNE	
	2025 (UNAUDITED)	2024 (UNAUDITED)
<i>Shares</i>		
Weighted average number of ordinary shares outstanding less shares held for the share award schemes during the period used in the basic earnings per share calculation*	1,355,942,458	1,335,770,539
Effect of dilution — weighted average number of ordinary shares:		
Share options	1,842,835	326,193
Awarded shares	3,155,784	1,518,552
Total	1,360,941,077	1,337,615,284

* The weighted average number of shares was after taking into account the effect of treasury shares held by the trust on behalf of the Company for the Company's share award arrangements and future share cancellation.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

30 June 2025

9. TRADE RECEIVABLES

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	30 JUNE 2025 RMB'000 (UNAUDITED)	31 DECEMBER 2024 RMB'000 (AUDITED)
0–30 days	224,190	211,974
31–60 days	76,683	81,886
61–90 days	18,688	42,522
91–365 days	213,316	162,367
1 to 2 years	129,710	141,409
Over 2 years	69,950	57,912
Total	732,537	698,070

10. CASH AND BANK DEPOSITS AND RESTRICTED CASH

	30 JUNE 2025 RMB'000 (UNAUDITED)	31 DECEMBER 2024 RMB'000 (AUDITED)
Cash and bank balances	2,535,688	2,659,753
Non-pledged time deposits with original maturity of less than three months when acquired	2,057,009	1,043,833
Subtotal	4,592,697	3,703,586
Non-pledged time deposits with original maturity of over three months when acquired	18,001,319	20,111,436
Cash and bank deposits	22,594,016	23,815,022
Restricted cash	3,039	5,806
Total	22,597,055	23,820,828

Notes:

- (i) Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of one day to a year depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.
- (ii) The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

30 June 2025

11. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 JUNE 2025 RMB'000 (UNAUDITED)	31 DECEMBER 2024 RMB'000 (AUDITED)
0–30 days	224,487	165,181
31–60 days	110,535	69,328
61–90 days	35,342	44,993
91–365 days	149,500	129,407
Over 1 years	74,848	69,472
Total	594,712	478,381

12. SHARE CAPITAL

The movement of the Company's share capital is as follows:

	NUMBER OF SHARES IN ISSUE (UNAUDITED)	ISSUED SHARE CAPITAL RMB'000 (UNAUDITED)	SHARE PREMIUM ACCOUNT RMB'000 (UNAUDITED)	TREASURY SHARES RMB'000 (UNAUDITED)	TOTAL RMB'000 (UNAUDITED)
At 1 January 2025	1,329,108,594*	5,187	1,439,985	(137,342)	1,307,830
Final 2024 dividend declared	—	—	(190,472)	—	(190,472)
Vesting and settlement of awarded shares	677,417	—	13,845	1,555	15,400
Conversion of convertible bonds	65,401,193	237	2,589,509	—	2,589,746
Shares repurchased for share award scheme	(2,293,000)	—	—	(75,211)	(75,211)
Shares repurchased for cancellation	(1,570,000)	—	—	(48,014)	(48,014)
Shares cancelled	—	(4)	(20,148)	20,152	—
At 30 June 2025	1,391,324,204*	5,420	3,832,719	(238,860)	3,599,279

* Excluding 9,101,586 (31 December 2024: 6,976,963) shares held by the trust on behalf of the Company as at 30 June 2025 for the Company's share award arrangements and future share cancellation.

Share options

Details of the Company's share option schemes and the share options issued under these schemes are included in note 13 to the financial statement.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

30 June 2025

13. SHARE-BASED COMPENSATION COSTS

The Company's share award arrangements

- (a) The Company adopted the 2011 Share Option Scheme for the purpose of providing incentives and rewards to eligible participants. Eligible participants of the 2011 Share Option Scheme include the directors and other employees of the Group or any of the Group's invested entities. The 2011 Share Option Scheme became effective on 9 December 2011 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date. Any options granted before the termination date of the 2011 Share Option Scheme shall continue to be valid and effective until the options' expiry date.

The following table illustrates the number of and movements in the share options outstanding under the 2011 Share Option Scheme during the six months ended 30 June 2025 and 2024, and their weighted average exercise prices ("WAEP"):

	2025		2024	
	NUMBER OF SHARE OPTIONS (UNAUDITED)	WAPE HK\$ PER SHARE (UNAUDITED)	NUMBER OF SHARE OPTIONS (UNAUDITED)	WAPE HK\$ PER SHARE (UNAUDITED)
Outstanding at 1 January and 30 June	2,529,800	20.25	2,529,800	20.25
Exercisable at 30 June	2,529,800	20.25	2,529,800	20.25

The share options outstanding as at the end of reporting period were granted on 21 April 2017 and the vesting periods of these share options varied from 1 to 5 years. The exercise period of the share options granted under the 2011 Share Option Scheme shall be any time after the end of the vesting period and before the tenth anniversary of the grant date.

- (b) The Company operates the 2021 Share Option Scheme for the purpose of providing incentives and rewards to eligible participants. Eligible participants of the 2021 Share Option Scheme include the directors and other employees of the Group or any of the Group's invested entities. The 2021 Share Option Scheme became effective on 9 December 2021 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The following table illustrates the number of and movements in the share options outstanding under the 2021 Share Option Scheme during the six months ended 30 June 2025 and 2024, and their WAEP:

	2025		2024	
	NUMBER OF SHARE OPTIONS (UNAUDITED)	WAPE HK\$ PER SHARE (UNAUDITED)	NUMBER OF SHARE OPTIONS (UNAUDITED)	WAPE HK\$ PER SHARE (UNAUDITED)
Outstanding at 1 January and 30 June	5,500,000	31.69	5,500,000	31.69
Exercisable at 30 June	2,200,000	31.69	1,100,000	31.69

The share options outstanding as at the end of reporting period were granted on 4 July 2022 and the vesting periods of these share options varied from 1 to 5 years. The exercise period of the share options granted under the 2021 Share Option Scheme shall be any time after the end of the vesting period and before the tenth anniversary of the grant date.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

30 June 2025

13. SHARE-BASED COMPENSATION COSTS (continued)

The Company's share award arrangements (continued)

- (c) On 31 March 2008, the directors of the Company approved and adopted the Share Award Scheme in which selected employees of the Group are entitled to participate. Unless early terminated by the directors of the Company, the Share Award Scheme is valid and effective for a term of five years commencing from 31 March 2008. On 25 November 2010, the directors of the Company resolved to extend the termination date of the Share Award Scheme from 30 March 2013 to 30 March 2017. On 19 November 2016, the directors of the Company resolved to extend the termination date of the Share Award Scheme from 30 March 2017 to 30 March 2022. On 5 July 2021, the directors of the Company resolved to extend the termination date of the Share Award Scheme from 30 March 2022 to 30 March 2027.

The following table illustrates the number of and movements in the Share Award Scheme during the six months ended 30 June 2025 and 2024.

	2025 NUMBER OF AWARDED SHARES (UNAUDITED)	2024 NUMBER OF AWARDED SHARES (UNAUDITED)
Outstanding at 1 January	3,316,846	4,182,220
Granted during the period	—	130,000
Forfeited during the period	—	(50,000)
Vested during the period	(371,945)	(351,374)
Outstanding at 30 June	2,944,901	3,910,846

- (d) On 23 May 2024, the shareholders of the Company (the "Shareholders") approved and adopted the 2024 Share Scheme in which selected eligible participants of the Group are entitled to participate for the purpose of providing incentives and rewards to eligible participants. Unless early terminated by the directors of the Company, the 2024 Share Scheme is valid and effective for a term of ten years commencing from 23 May 2024.

The following table illustrates the number of and movements in the 2024 Share Scheme during the six months ended 30 June 2025 and 2024.

	2025 NUMBER OF AWARDED SHARES (UNAUDITED)	2024 NUMBER OF AWARDED SHARES (UNAUDITED)
Outstanding at 1 January	1,527,400	—
Forfeited during the period	(10,123)	—
Vested during the period	(305,472)	—
Outstanding at 30 June	1,211,805	—

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

30 June 2025

13. SHARE-BASED COMPENSATION COSTS (continued)

Kingsoft Office's share award arrangements

- (a) On 2 June 2021, the shareholders of Beijing Kingsoft Office Software, Inc. ("Beijing Kingsoft Office"), a subsidiary of the Company, approved and adopted the Kingsoft Office Share Award Scheme for the purpose of providing incentives and rewards to eligible participants, in which selected employees of Beijing Kingsoft Office and its subsidiaries are entitled to participate. The maximum number of ordinary shares under the Kingsoft Office Share Award Scheme which may be issued upon exercise of all restricted share units (the "RSUs") with option feature to be granted may not in aggregate exceed 870,000 shares (representing 0.19% of the shares of Beijing Kingsoft Office in issue). The Kingsoft Office Share Award Scheme shall be valid and effective for a term of five years commencing on 2 June 2021. The exercise price and exercise period of RSUs are determinable by the board of Beijing Kingsoft Office.

The following table illustrates the numbers and movements of RSUs granted under the Kingsoft Office Share Award Scheme during the six months ended 30 June 2025 and 2024.

	2025		2024	
	NUMBER OF RSUs (UNAUDITED)	WAEP RMB PER SHARE (UNAUDITED)	NUMBER OF RSUs (UNAUDITED)	WAEP RMB PER SHARE (UNAUDITED)
Outstanding at 1 January	32,300	42.95	274,144	43.83
Exercised during the period	(32,300)	42.95	(31,350)	42.95
Outstanding at 30 June	—	—	242,794	42.95
Exercisable at 30 June	—	—	210,494	42.95

The RSUs outstanding as at the end of reporting period were granted during 2 June 2021 to 28 December 2021 and the vesting periods of these RSUs varied from 1 to 3 years. The exercise period of the RSUs granted under the Kingsoft Office Share Award Scheme shall be any time after the end of the vesting period and before the fifth anniversary of the grant date.

- (b) On 28 April 2022, the shareholders of Beijing Kingsoft Office approved and adopted the 2022 Kingsoft Office Share Award Scheme for the purpose of providing incentives and rewards to eligible participants, in which selected employees of Beijing Kingsoft Office and its subsidiaries are entitled to participate. The maximum number of ordinary shares under the 2022 Kingsoft Office Share Award Scheme which may be issued upon exercise of all RSUs with option feature to be granted may not in aggregate exceed 1,000,000 shares (representing 0.22% of the shares of Beijing Kingsoft Office in issue). The 2022 Kingsoft Office Share Award Scheme shall be valid and effective for a term of five years commencing on 29 April 2022. The exercise price and exercise period of RSUs are determinable by the board of Beijing Kingsoft Office.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

30 June 2025

13. SHARE-BASED COMPENSATION COSTS (continued)

Kingsoft Office's share award arrangements (continued)

(b) (continued)

The following table illustrates the numbers and movements of RSUs granted under the 2022 Kingsoft Office Share Award Scheme during the six months ended 30 June 2025 and 2024.

	2025		2024	
	NUMBER OF RSUs (UNAUDITED)	WAEP RMB PER SHARE (UNAUDITED)	NUMBER OF RSUs (UNAUDITED)	WAEP RMB PER SHARE (UNAUDITED)
Outstanding at 1 January	387,747	43.55	702,150	44.43
Forfeited during the period	(12,614)	43.55	(9,570)	44.43
Exercised during the period	(310,193)	43.55	(303,303)	44.43
Outstanding at 30 June	64,940	43.55	389,277	44.43
Exercisable at 30 June	—	—	—	—

The RSUs outstanding as at the end of reporting period were granted during 29 April 2022 to 28 December 2022 and the vesting periods of these RSUs varied from 1 to 3.5 years. The exercise period of the RSUs granted under the 2022 Kingsoft Office Share Award Scheme shall be any time after the end of the vesting period and before the fifth anniversary of the grant date.

- (c) On 6 June 2023, the shareholders of Beijing Kingsoft Office approved and adopted the 2023 Kingsoft Office Share Award Scheme for the purpose of providing incentives and rewards to eligible participants, in which selected employees of Beijing Kingsoft Office and its subsidiaries are entitled to participate. The maximum number of ordinary shares under the 2023 Kingsoft Office Share Award Scheme which may be issued upon exercise of all RSUs with option feature to be granted may not in aggregate exceed 1,000,000 shares (representing 0.22% of the shares of Beijing Kingsoft Office in issue). The 2023 Kingsoft Office Share Award Scheme shall be valid and effective for a term of five years commencing on 6 June 2023. The exercise price and exercise period of RSUs are determinable by the board of Beijing Kingsoft Office.

The following table illustrates the numbers and movements of RSUs granted under the 2023 Kingsoft Office Share Award Scheme during the six months ended 30 June 2025 and 2024.

	2025		2024	
	NUMBER OF RSUs (UNAUDITED)	WAEP RMB PER SHARE (UNAUDITED)	NUMBER OF RSUs (UNAUDITED)	WAEP RMB PER SHARE (UNAUDITED)
Outstanding at 1 January	703,316	148.39	989,400	149.27
Forfeited during the period	(10,275)	148.39	(6,480)	149.27
Exercised during the period	(311,157)	148.39	—	—
Outstanding at 30 June	381,884	148.39	982,920	148.39
Exercisable at 30 June	—	—	257,169	148.39

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

30 June 2025

13. SHARE-BASED COMPENSATION COSTS (continued)

Kingsoft Office's share award arrangements (continued)

(c) (continued)

The RSUs outstanding as at the end of reporting period were granted during 6 June 2023 to 28 December 2023 and the vesting periods of these RSUs varied from 1 to 3 years. The exercise period of the RSUs granted under the 2023 Kingsoft Office Share Award Scheme shall be any time after the end of the vesting period and before the fifth anniversary of the grant date.

- (d) On 28 May 2024, the shareholders of Beijing Kingsoft Office approved and adopted the 2024 Kingsoft Office Share Award Scheme for the purpose of providing incentives and rewards to eligible participants, in which selected employees of Beijing Kingsoft Office and its subsidiaries are entitled to participate. The maximum number of ordinary shares under the 2024 Kingsoft Office Share Award Scheme which may be issued upon exercise of all RSUs with option feature to be granted may not in aggregate exceed 1,000,000 shares (representing 0.22% of the shares of Beijing Kingsoft Office in issue). The 2024 Kingsoft Office Share Award Scheme shall be valid and effective for a term of five years commencing on 28 May 2024. The exercise price and exercise period of RSUs are determinable by the board of Beijing Kingsoft Office.

The following table illustrates the numbers and movements of RSUs granted under the 2024 Kingsoft Office Share Award Scheme during the six months ended 30 June 2025 and 2024.

	2025 NUMBER OF RSUs (UNAUDITED)	WAEP RMB PER SHARE (UNAUDITED)	2024 NUMBER OF RSUs (UNAUDITED)	WAEP RMB PER SHARE (UNAUDITED)
Outstanding at 1 January	990,500	145.86	—	—
Granted during the period	—	—	798,000	146.74
Forfeited during the period	(8,500)	145.86	—	—
Exercised during the period	(258,390)	145.86	—	—
Outstanding at 30 June	723,610	145.86	798,000	146.74
Exercisable at 30 June	—	—	—	—

The RSUs outstanding as at the end of reporting period were granted during 29 May 2024 to 27 December 2024 and the vesting periods of these RSUs varied from 1 to 3 years. The exercise period of the RSUs granted under the 2024 Kingsoft Office Share Award Scheme shall be any time after the end of the vesting period and before the fifth anniversary of the grant date.

- (e) On 4 June 2025, the shareholders of Beijing Kingsoft Office approved and adopted the 2025 Kingsoft Office Share Award Scheme for the purpose of providing incentives and rewards to eligible participants, in which selected employees of Beijing Kingsoft Office and its subsidiaries are entitled to participate. The maximum number of ordinary shares under the 2025 Kingsoft Office Share Award Scheme which may be issued upon exercise of all RSUs with option feature to be granted may not in aggregate exceed 3,460,000 shares (representing 0.75% of the shares of Beijing Kingsoft Office in issue). The 2025 Kingsoft Office Share Award Scheme shall be valid and effective for a term of seven years commencing on 4 June 2025. The exercise price and exercise period of RSUs are determinable by the board of Beijing Kingsoft Office.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

30 June 2025

13. SHARE-BASED COMPENSATION COSTS (continued)

Kingsoft Office's share award arrangements (continued)

(e) (continued)

The following table illustrates the numbers and movements of RSUs granted under the 2025 Kingsoft Office Share Award Scheme during the six months ended 30 June 2025.

	2025 NUMBER OF RSUs (UNAUDITED)	WAEP RMB PER SHARE (UNAUDITED)
Outstanding at 1 January	—	—
Granted during the period	2,791,000	151.46
Outstanding at 30 June	2,791,000	151.46
Exercisable at 30 June	—	—

The RSUs outstanding as at the end of reporting period were granted on 4 June 2025 and the vesting periods of these RSUs varied from 1 to 5 years. The exercise period of the RSUs granted under the 2025 Kingsoft Office Share Award Scheme shall be any time after the end of the vesting period and before the seventh anniversary of the grant date.

(f) On 3 December 2012, the directors of the Company and Kingsoft Office Software Holdings Limited ("KOS Holdings") approved and adopted the share award scheme (the "KOS Share Award Scheme"), in which selected employees of KOS Holdings and its subsidiaries are entitled to participate. Unless early terminated by the directors of KOS Holdings, the KOS Share Award Scheme shall be valid and effective for a term of ten years from 3 December 2012. In November 2015, pursuant to the approval of the directors and the shareholders of KOS Holdings and a series of agreements, all the outstanding awarded shares under the KOS Share Award Scheme were replaced by the restricted shares of Beijing Kingsoft Office, held through certain limited partnerships. The limited partnerships were set up for the purpose of holding the shares of Beijing Kingsoft Office, which is a similar arrangement for the benefit of employees as the KOS Share Award Scheme.

The following table illustrates the numbers and movements of the restricted shares granted under the KOS Share Award Scheme during the six months ended 30 June 2025 and 2024.

	2025 NUMBER OF RESTRICTED SHARES (UNAUDITED)	2024 NUMBER OF RESTRICTED SHARES (UNAUDITED)
Outstanding at 1 January	465,183	465,183
Vested during the period	(10,650)	—
Outstanding at 30 June	454,533	465,183

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

30 June 2025

13. SHARE-BASED COMPENSATION COSTS (continued)

Season Holdings' share award arrangements

- (a) On 27 June 2013 (the "Season Holdings Share Option Adoption Date"), the Shareholders and shareholders of Season Holdings Limited ("Season Holdings"), a subsidiary of the Company, approved and adopted the Season Holdings Share Option Scheme for the purpose of providing incentives and rewards to eligible participants, in which selected employees of Season Holdings and its subsidiaries are entitled to participate. The maximum number of ordinary shares under the Season Holdings Share Option Scheme which may be issued upon exercise of all share options to be granted may not in aggregate exceed 80,000,000 shares (representing 10% of the shares in issue). On 24 May 2017, Shareholders and Season Holdings approved to amend the maximum number of ordinary shares, which may be issued upon exercise in the Season Holdings Share Option Scheme, to 40,000,000 shares. The Season Holdings Share Option Scheme shall be valid and effective for a term of ten years commencing on the Season Holdings Share Option Adoption Date. The exercise price and exercise period of share options are determinable by the board of Season Holdings.

The following table illustrates the numbers and movements of share options granted under the Season Holdings Share Option Scheme during the six months ended 30 June 2025 and 2024.

	2025		2024	
	NUMBER OF SHARE OPTIONS (UNAUDITED)	WAEP RMB PER SHARE (UNAUDITED)	NUMBER OF SHARE OPTIONS (UNAUDITED)	WAEP RMB PER SHARE (UNAUDITED)
Outstanding at 1 January	18,550,489	4.85	18,748,489	4.85
Forfeited during the period	(132,000)	4.37	—	—
Cancelled during the period	(811,600)	2.80	—	—
Outstanding at 30 June	17,606,889	4.94	18,748,489	4.85
Exercisable at 30 June	17,148,712	4.89	17,257,600	4.61

The share options outstanding as at the end of reporting period were granted during 18 July 2013 to 1 April 2022 and the vesting periods of these share options varied from 4 to 5 years. The exercise period of the share options granted under the Season Holdings Share Option Scheme shall be any time after the end of the vesting period and before the tenth anniversary of the grant date.

- (b) On 21 March 2017, the directors of the Company and Season Holdings approved and adopted the Season Holdings Share Award Scheme, in which selected employees of Season Holdings and its subsidiaries are entitled to participate. Unless early terminated by the directors of Season Holdings, the Season Holdings Share Award Scheme is valid and effective for a term of ten years commencing from 21 March 2017. The directors of Season Holdings will not grant those awarded shares which would result in the total number of shares (but not counting any shares which have lapsed or have been forfeited) greater than 50,832,211 shares, as at the date of such grant.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

30 June 2025

13. SHARE-BASED COMPENSATION COSTS (continued)

Seasun Holdings' share award arrangements (continued)

(b) (continued)

The following table illustrates the number and movements of awarded shares granted under the Seasun Holdings Share Award Scheme during the six months ended 30 June 2025 and 2024.

	2025 NUMBER OF AWARDED SHARES (UNAUDITED)	2024 NUMBER OF AWARDED SHARES (UNAUDITED)
Outstanding at 1 January	48,940,030	48,940,030
Forfeited during the period	(50,000)	—
Outstanding at 30 June	48,890,030	48,940,030

Kingsoft Shiyou Holdings' share award arrangements

- (a) On 13 April 2022, the shareholders and directors of the Kingsoft Shiyou Holdings Limited ("Kingsoft Shiyou Holdings"), a subsidiary of the Company, approved and adopted the Kingsoft Shiyou Holdings Share Award Scheme, in which selected employees of Kingsoft Shiyou Holdings and its subsidiaries are entitled to participate. Unless early terminated by the directors of Kingsoft Shiyou Holdings, the Kingsoft Shiyou Holdings Share Award Scheme is valid and effective for a term of ten years commencing from 13 April 2022. The directors of Kingsoft Shiyou Holdings will not grant those awarded shares which would result in the total number of shares (but not counting any shares which have lapsed or have been forfeited) greater than 50,000,000 shares, as at the date of such grant.

No awarded shares was granted under the Kingsoft Shiyou Holdings Share Award Scheme since its adoption.

14. CONVERTIBLE BONDS

On 29 April 2020, the Company issued five-year convertible bonds in the principal amount of HK\$3,100,000,000 (equivalent to RMB2,827,820,000) which bear interest at a rate of 0.625% per annum payable semi-annually (the "2020 Convertible Bonds"). The 2020 Convertible Bonds are convertible at the option of the bondholders into ordinary shares of the Company from 9 June 2020 to the date falling 10 days prior to the maturity date, at a price of HK\$35.7637 per share, subject to adjustments. On the maturity date, any 2020 Convertible Bonds not converted will be redeemed by the Company at 105.85% of the principal amount together with accrued and unpaid interest thereon.

The fair value of the liability component was estimated at the issuance date using an equivalent market interest rate for a similar bond without a conversion option. The residual amount is assigned as the equity component and is included in Shareholders' equity.

In accordance with the terms and conditions of the 2020 Convertible Bonds, the dividend payments made after the issuance of the 2020 Convertible Bonds resulted in adjustments to the conversion price of the 2020 Convertible Bonds and the conversion price of the 2020 Convertible Bonds was adjusted to HK\$34.77 per share after the latest adjustment became effective on 8 June 2024.

During the period from 11 April 2025 to 17 April 2025, the Company issued a total number of 65,401,193 shares to the bondholders from which it received conversion notices. Such convertible bonds, representing approximately principal amount of HK\$2,274 million in aggregate, had been converted at the prevailing adjusted conversion price of HK\$34.77 per share.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

30 June 2025

14. CONVERTIBLE BONDS (continued)

Pursuant to the terms and conditions of the 2020 Convertible Bonds, on 29 April 2025 (i.e., the maturity date of the 2020 Convertible Bonds), the Company has fully redeemed the outstanding 2020 Convertible Bonds at the principal amount of approximately HK\$826 million together with all accrued and unpaid interests and fees thereon. Accordingly, there are no outstanding 2020 Convertible Bonds in issue following the aforesaid redemption.

The movements of the liability component and the equity component of the 2020 Convertible Bonds for the six months ended 30 June 2025 are set out below:

	LIABILITY COMPONENT RMB'000 (UNAUDITED)	EQUITY COMPONENT RMB'000 (UNAUDITED)
At 1 January 2025	2,985,899	468,700
Conversion of the convertible bonds	(2,236,285)	(343,814)
Redemption of the convertible bonds	(811,593)	(124,886)
Interest expenses	53,503	—
Interest paid	(2,397)	—
Exchange realignment	10,873	—
At 30 June 2025	—	—

15. DIVIDENDS

A final dividend of HK\$0.15 per ordinary share for 2024 proposed by the board of directors of the Company ("Board") was approved by the Shareholders on 29 May 2025. The actual payment of 2024 final dividend was HK\$208,851,000 (equivalent to RMB190,472,000) in June 2025.

The Board has resolved not to declare any interim dividend in respect of the six months ended 30 June 2025 (six months ended 30 June 2024: nil).

16. DISPOSAL OF A SUBSIDIARY

On 12 June 2025, the Group entered into a share transfer agreement with a third-party company to dispose of 100% equity interests in Wuhan Kingsoft Microfinance Co., Ltd., a company engaged in lending and financing operations, for an aggregate cash consideration of RMB504,275,000. The disposal was completed on 26 June 2025.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

30 June 2025

16. DISPOSAL OF A SUBSIDIARY (continued)

The details of the net assets disposed of are as follows:

	RMB'000
Net assets disposed of:	
Cash and bank balances	504,824
Deposits and other receivables	71
Accruals and other payables	(429)
Total	504,466
Satisfied by:	
Cash	504,275
Other receivables	191
Total consideration	504,466

An analysis of the net outflow of cash and cash equivalents in respect of the disposal of the subsidiary is as follows:

	RMB'000
Cash consideration	504,275
Cash and bank balances disposed of	(504,824)
Net outflow of cash and cash equivalents in respect of the disposal of a subsidiary	(549)

17. COMMITMENTS

The Group had the following contractual commitments as at the end of the reporting period:

		30 JUNE 2025 RMB'000 (UNAUDITED)	31 DECEMBER 2024 RMB'000 (AUDITED)
	NOTE		
Development of land and buildings		289,609	381,356
Capital contributions	18(a)(xi)	450,000	600,000
Total		739,609	981,356

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

30 June 2025

18. RELATED PARTY TRANSACTIONS

(a) The Group had the following transactions with related parties during the period:

		FOR THE SIX MONTHS ENDED 30 JUNE	
		2025 RMB'000	2024 RMB'000
	NOTES	(UNAUDITED)	(UNAUDITED)
Interest income from an associate of the Group	(i)	19,210	19,269
Interest income from other related parties		1,296	1,452
Provision of promotion services to a company controlled by a director of the Company		—	66
Provision of licensing and subscription services to a company controlled by a director of the Company	(ii)	1,737	802
Provision of mailbox customised development services to a company controlled by a director of the Company		—	322
Provision of advertisement services to a company controlled by a director of the Company	(iii)	14,238	7,714
Provision of services to associates	(iv)	5,403	6,827
Provision of services to a joint venture	(v)	2,099	2,176
Licence fee from a company whose parent has a significant influence on the Company	(vi)	65,736	65,759
Licence fee from an associate	(vii)	3,225	2,602
Purchases of products from a company controlled by a director of the Company		1,105	6,696
Purchases of promotion services from a company controlled by a director of the Company		—	188
Licence fee to a joint venture	(viii)	36,341	33,131
Rental to a company controlled by a director of the Company	(ix)	9,404	9,404
Purchase of cloud services from an associate	(x)	177,618	145,171
Contribution to funds controlled by a director of the Company	(xi)	150,000	151,000

(i) On 4 December 2023, the Group and Kingsoft Cloud Holdings Limited and its subsidiaries (collectively, "Kingsoft Cloud Group"), associates of the Company, entered into a loan facility framework agreement in relation to the provision of the loan facility in the principal amount of up to RMB1,500,000,000 for the period from 5 December 2023 to 31 December 2025.

In 2023, the Group entered into a short-term loan agreement with Kingsoft Cloud Group, pursuant to which, the Group provided a loan of RMB500,000,000 to Kingsoft Cloud Group with an interest rate of 3.75% per annum which was repayable on 30 September 2024. This loan to the associate and the related interest receivable were fully repaid in 2024.

In 2024, the Group entered into loan agreements with Kingsoft Cloud Group, pursuant to which, the Group provided loans of RMB500,000,000, RMB200,000,000 and RMB300,000,000 to Kingsoft Cloud Group with an interest rate of 4.05% per annum which are repayable on 11 September 2025, 29 September 2025 and 17 October 2025, respectively. Kingsoft Cloud Group provided charge over fixed assets to the Group with value equal to 120% of relevant drawdown amount. As at 30 June 2025, the outstanding balance due from Kingsoft Cloud Group under these loan agreements was RMB1,003,679,000 including accumulated unpaid principal and interests receivable of RMB1,000,000,000 and RMB3,679,000 respectively.

The interest income from Kingsoft Cloud Group during six months ended 30 June 2025 was approximately RMB19,210,000 (six months ended 30 June 2024: RMB19,269,000).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

30 June 2025

18. RELATED PARTY TRANSACTIONS (continued)

(a) (continued)

- (ii) The Group entered into framework agreements with a company controlled by a director of the Company. Pursuant to the framework agreements, the Group provides licensing and subscription services to this related company and its affiliates at the prevailing fair market price in the same industry for similar transactions.
- (iii) The Group entered into framework agreements with a company controlled by a director of the Company. Pursuant to the framework agreements, the Group provides advertisement services to this related company and its affiliates at the prevailing fair market price in the same industry for similar transactions.
- (iv) The Group entered into agreements with associates to provide leasing services to them at the prevailing fair market price.
- (v) The Group entered into agreements with a joint venture to provide leasing services to it at the prevailing fair market price.
- (vi) The Group entered into various licensing agreements with a company whose parent has a significant influence on the Company to operate the Group's online games with this related company at the prevailing fair market price.
- (vii) The Group entered into an exclusive licensing agreement with an associate to grant the exclusive right to use certain office software.
- (viii) The Group entered into the game joint development and operation agreement with a joint venture to jointly develop and operate the Group's online games at the prevailing fair market price.
- (ix) The Group entered into lease agreements with a company controlled by a director of the Company at the prevailing market rent of similar properties and business nature in nearby locations. As at 30 June 2025, the carrying amounts of right-of-use assets and lease liabilities in respect with the lease agreements were RMB7,510,000 (31 December 2024: RMB16,851,000) and RMB10,571,000 (31 December 2024: RMB10,393,000), respectively.
- (x) The Group entered into cloud service agreements with Kingsoft Cloud Group. Pursuant to the agreements, Kingsoft Cloud Group provides cloud services to the Group at the prevailing fair market price.
- (xi) In 2023, the Group entered into a partnership agreement in relation to the formation of a fund with companies controlled by a director of the Company. Pursuant to the partnership agreement, the Group shall participate in the fund as a limited partner and agreed to make a contribution in the amount of RMB500 million. During the period ended 30 June 2025, the Group contributed nil (six months ended 30 June 2024: RMB150 million) (accumulated contribution up to RMB350 million) to the fund.

In 2024, the Group entered into another partnership agreement in relation to the formation of a fund with some other companies controlled by a director of the Company. Pursuant to the partnership agreement, the Group shall participate in the fund as a limited partner and agreed to make a contribution in the amount of RMB500 million. During the period ended 30 June 2025, the Group contributed another RMB150 million (six months ended 30 June 2024: RMB1 million) (accumulated contribution up to RMB200 million) to the fund.
- (xii) The Group entered into framework agreements with a company controlled by a director of the Company. Pursuant to the framework agreements, the Group jointly operates the Group's online games operations with an affiliate of this related company by ways of exclusive and non-exclusive licensing. The Group is entitled to receive licensing fee under the exclusive arrangements and the affiliate of this related company acted as a distribution platform to collect payments from players on behalf of the Group through the non-exclusive arrangements. The net amount remitted to the Group during the period amounted to RMB2,016,000 (six months ended 30 June 2024: RMB3,243,000), including the licensing fee collected on behalf of the Group after deduction of commission in accordance with the co-operation agreements, which is charged at the prevailing fair market price.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

30 June 2025

18. RELATED PARTY TRANSACTIONS (continued)

(b) Compensation of key management personnel of the Group (including directors' remuneration):

	FOR THE SIX MONTHS ENDED 30 JUNE	
	2025 RMB'000 (UNAUDITED)	2024 RMB'000 (UNAUDITED)
Salaries, allowances, and benefits in kind	4,613	4,503
Pension scheme contributions	187	176
Share-based compensation costs	19,335	26,774
Total compensation paid to key management personnel	24,135	31,453

19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	CARRYING AMOUNTS		FAIR VALUES	
	30 JUNE 2025 RMB'000 (UNAUDITED)	31 DECEMBER 2024 RMB'000 (AUDITED)	30 JUNE 2025 RMB'000 (UNAUDITED)	31 DECEMBER 2024 RMB'000 (AUDITED)
Financial assets				
Loans receivable	17,752	16,936	16,179	15,435
Equity investments designated at fair value through other comprehensive income	—	17,814	—	17,814
Financial assets at fair value through profit or loss	3,106,480	3,315,578	3,106,480	3,315,578
Total	3,124,232	3,350,328	3,122,659	3,348,827
Financial liabilities				
Derivative financial instrument	—	7,116	—	7,116
Other current liabilities	—	62,194	—	68,137
Liability component of convertible bonds	—	2,985,899	—	2,998,123
Total	—	3,055,209	—	3,073,376

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

30 June 2025

19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Management has assessed that the fair values of cash and bank deposits, restricted cash, trade receivables, trade payables, financial assets included in prepayments, other receivables and other assets and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the acting chief financial officer ("CFO") and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the acting CFO and the valuation process and results are discussed with the audit committee.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair value of loans receivable has been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The fair value of the liability portion of the convertible bonds is estimated by discounting the expected future cash flows using an equivalent market interest rate for a similar convertible bond with consideration of the Group's own non-performance risk.

The fair value of an unlisted equity investment designated at fair value through other comprehensive income has been estimated using a market-based valuation technique and equity valuation allocation model. These valuation techniques are based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors to determine comparable public companies (peers) based on industry, size, leverage and strategy, and to calculate an appropriate price multiple, such as enterprise value to revenue ("EV/Revenue") multiple, for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by an earnings measure. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding earnings measure of the unlisted equity investment to measure the fair value. The directors believe that the estimated fair value resulting from the valuation technique, which is recorded in the consolidated statement of financial position, and the related changes in fair value which are recorded in other comprehensive income, are reasonable, and that it was the most appropriate value at the end of the reporting period.

The fair values of financial assets at fair value through profit or loss have been estimated as follows: (i) for wealth management products, the fair values have been estimated by using discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks; (ii) for subscription options, the fair values have been estimated by using the Black Scholes Model. The valuation requires the directors to make estimates about the life of option, dividend yield and expected volatility; and (iii) for other financial assets at fair value through profit or loss, the fair values have been estimated by reference to market approach or discount cashflow approach, and using equity valuation allocation model. The valuation requires the directors to make estimates about the underlying equity value, expected volatility and risk-free rate. The estimation of the underlying equity value is based on estimation of price multiple or expected future cash flows. These valuation techniques are based on assumptions that are not supported by observable market prices or rates. The directors believe that the estimated fair values resulting from these valuation techniques, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in the consolidated statement of profit or loss, are reasonable, and that they were the most appropriate values at the end of the reporting period.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

30 June 2025

19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 30 June 2025

	FAIR VALUE MEASUREMENT USING			TOTAL RMB'000 (UNAUDITED)
	QUOTED PRICES IN ACTIVE MARKETS (LEVEL 1) RMB'000 (UNAUDITED)	SIGNIFICANT OBSERVABLE INPUTS (LEVEL 2) RMB'000 (UNAUDITED)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3) RMB'000 (UNAUDITED)	
Financial assets at fair value through profit or loss	—	—	3,106,480	3,106,480

As at 31 December 2024

	FAIR VALUE MEASUREMENT USING			TOTAL RMB'000 (AUDITED)
	QUOTED PRICES IN ACTIVE MARKETS (LEVEL 1) RMB'000 (AUDITED)	SIGNIFICANT OBSERVABLE INPUTS (LEVEL 2) RMB'000 (AUDITED)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3) RMB'000 (AUDITED)	
Equity investments designated at fair value through other comprehensive income	—	—	17,814	17,814
Financial assets at fair value through profit or loss	—	—	3,315,578	3,315,578
Total	—	—	3,333,392	3,333,392

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

30 June 2025

19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

Assets measured at fair value: (continued)

The movement of assets in fair value measurements in Level 3 during the period is as follows:

	RMB'000
Equity investments designated at fair value through other comprehensive income/financial assets at fair value through profit or loss:	
At 1 January 2025	3,333,392
Disposals	(231,567)
Total gains recognised in profit or loss	25,298
Total losses recognised in other comprehensive income	(17,814)
Exchange realignment	(2,829)
At 30 June 2025 (Unaudited)	3,106,480

Set out below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 30 June 2025:

	VALUATION TECHNIQUES	SIGNIFICANT UNOBSERVABLE INPUTS	SENSITIVITY OF FAIR VALUE TO THE INPUT
Financial assets at fair value through profit or loss	Black Scholes Model	Fair value per share	5% increase (decrease) in fair value per share would result in increase (decrease) in fair value by RMB1,849,000 (RMB(74,000))

Liabilities measured at fair value:

As at 30 June 2025, the Group did not have any liabilities measured at fair value.

As at 31 December 2024

	FAIR VALUE MEASUREMENT USING			TOTAL RMB'000 (UNAUDITED)
	QUOTED PRICES IN ACTIVE MARKETS (LEVEL 1) RMB'000 (UNAUDITED)	SIGNIFICANT OBSERVABLE INPUTS (LEVEL 2) RMB'000 (UNAUDITED)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3) RMB'000 (UNAUDITED)	
Derivative financial instrument	—	—	7,116	7,116

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

30 June 2025

20. CONTINGENT LIABILITIES

As at 30 June 2025, the Group had no significant contingent liabilities (31 December 2024: nil).

21. APPROVAL OF THE FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were approved and authorised for issue by the Board on 20 August 2025.

TERMS AND GLOSSARIES

"2011 Share Option Scheme"	the share option scheme adopted by the Company on 9 December 2011
"2020 Convertible Bonds"	the convertible bonds issued by the Company on 29 April 2020
"2021 Kingsoft Office Share Award Scheme"	the share award scheme adopted by Kingsoft Office on 2 June 2021
"2021 Share Option Scheme"	the share option scheme adopted by the Company on 9 December 2021
"2022 Kingsoft Office Share Award Scheme"	the share award scheme adopted by Kingsoft Office on 28 April 2022
"2023 Kingsoft Office Share Award Scheme"	the share award scheme adopted by Kingsoft Office on 6 June 2023
"2024 Share Scheme"	the share scheme adopted by the Company on 23 May 2024
"2024 Kingsoft Office Share Award Scheme"	the share award scheme adopted by Kingsoft Office on 28 May 2024
"2025 Kingsoft Office Share Award Scheme"	the share award scheme adopted by Kingsoft Office on 4 June 2025
"AI"	artificial intelligence
"Audit Committee"	the audit committee of the Company
"Board"	the board of directors of the Company
"CG Code"	the Corporate Governance Code contained in Appendix C1 to the Listing Rules
"Cheetah Mobile"	Cheetah Mobile Inc., an associated corporation of the Company and was listed on NYSE in May 2014
"Class A Cheetah Shares"	the class A ordinary shares of Cheetah Mobile, par value US\$0.000025 per share
"Company" or "Kingsoft"	Kingsoft Corporation Limited, an exempted limited liability company incorporated in the British Virgin Islands on 20 March 1998 and discontinued in the British Virgin Islands and continued into the Cayman Islands on 15 November 2005, with its shares listed on the Stock Exchange (stock code: 03888)
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

TERMS AND GLOSSARIES (continued)

"IAS"	International Accounting Standard issued by the International Accounting Standards Board
"IFRSs"	International Financial Reporting Standards
"Kingsoft Cloud"	Kingsoft Cloud Holdings Limited, an associate of the Company, and the American Depositary Shares and the shares of which are listed on NASDAQ and the Stock Exchange, respectively
"Kingsoft Cloud Group"	Kingsoft Cloud and its subsidiaries
"Kingsoft Office"	Beijing Kingsoft Office Software, Inc., a subsidiary of the Company and was listed on the STAR Market of Shanghai Stock Exchange in November 2019
"Kingsoft Office Group"	Kingsoft Office and its subsidiaries
"Kingsoft Office Share Award Schemes"	the share award schemes adopted by Kingsoft Office on 2 June 2021, 28 April 2022, 6 June 2023, 28 May 2024 and 4 June 2025
"Kingsoft Shiyou Holdings"	Kingsoft Shiyou Holdings Limited, a subsidiary of the Company
"Kingsoft Shiyou Holdings Share Award Schemes"	the share option scheme adopted by Kingsoft Shiyou Holding on 13 April 2022
"KOSC"	Kingsoft Office Software Corporation Limited, a non-wholly-owned subsidiary of the Company
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules
"NASDAQ"	National Association of Securities Dealers Automated Quotations
"NYSE"	New York Stock Exchange
"PRC" or "China"	the People's Republic of China
"R&D"	research and development
"RMB"	the lawful currency of the PRC
"Seasun Holdings"	Seasun Holdings Limited, a subsidiary of the Company
"Seasun Holdings Share Award Scheme"	the General Share Award Scheme, the Special Share Award Scheme (A) and the Special Share Award Scheme (B) approved and adopted by the shareholders and directors of Seasun Holdings on 21 March 2017

TERMS AND GLOSSARIES (continued)

"Seasun Holdings Share Option Scheme"	the share option scheme of Seasun Holdings approved and adopted by the shareholders of the Company and Seasun Holdings on 27 June 2013
"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
"Share Award Scheme"	the share award scheme of the Company adopted by the Board on 31 March 2008, as amended on 5 July 2021
"Stock Exchange"	the Stock Exchange of Hong Kong Limited
"US\$"	United States dollars, the lawful currency of the United States of America
"Xiaomi"	Xiaomi Corporation (Stock Code: 1810), a limited liability company organized under the laws of Cayman Islands and listed on the Stock Exchange
"Xiaomi Group"	Xiaomi and its subsidiaries
"Xiaomi Singapore"	Xiaomi Technologies Singapore Pte. Ltd, a wholly-owned subsidiary of Xiaomi
"%"	percent