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**Qingci Games Inc.**  
**青瓷游戏有限公司**

*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock code: 6633)**

## **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2025**

The Board of Directors of Qingci Games Inc. is pleased to announce the unaudited consolidated financial results of the Group for the six months ended June 30, 2025, together with the comparative figures for the six months ended June 30, 2024 as below.

The interim results of the Group for the six months ended June 30, 2025 have been reviewed by the Audit Committee and by BDO Limited, the independent auditor of the Company, in accordance with International Standard on Review Engagements 2410 “Review of interim financial information performed by the independent auditor of the entity” issued by the International Auditing and Assurance Standards Board.

### **FINANCIAL HIGHLIGHTS**

	<b>For the six months ended June 30,</b>		
	<b>2025</b>	<b>2024</b>	<b>Change</b>
	<b>(RMB'000)</b>	<b>(RMB'000)</b>	<b>(%)</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>	
<b>Revenue</b>	<b>247,180</b>	342,622	(28)
<b>Gross profit</b>	<b>154,148</b>	211,787	(27)
<b>Net profit</b>	<b>72,665</b>	38,203	90
<b>Profit attributable to equity holders of the Company</b>	<b><u>70,257</u></b>	<u>45,059</u>	<u>56</u>

## KEY OPERATING INFORMATION

	For the six months ended June 30,		
	2025	2024	Change (%)
<b>Average MAUs</b> <i>(in thousands)</i> <sup>(1)</sup>	<b>1,144</b>	2,179	(47)
<b>Average MPUs</b> <i>(in thousands)</i> <sup>(2)</sup>	<b>141</b>	253	(44)
<b>ARPPU</b> <i>(RMB)</i>	<b>290</b>	275	5
<b>Cumulative registered players</b> <i>(in thousands)</i>	<b>100,452</b>	93,389	8

*Notes:*

- (1) Our Average MAUs are calculated by dividing (i) the total MAUs of a game; or (ii) the aggregate of the total MAUs of all of our games, as applicable, for a specified period by the number of months of that period. Our calculations of Average MAUs did not consider each game's data before its official launch.
- (2) Our Average MPUs are calculated by dividing (i) the MPUs of a game; or (ii) the aggregate of the total MPUs of all of our games, as applicable, for a specified period by the number of months of that period. Our calculations of Average MPUs did not consider each game's data before its official launch.

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS OVERVIEW

As a well-known mobile game developer and publisher in China, we are committed to offering unparalleled experiences to game players around the world through our landmark captivating games and content.

In the first half of 2025, the global gaming market maintained a positive trend, presenting a prosperous landscape pulsating with vigorous technological innovation and intense competition. As players have higher expectations on content and quality, well-crafted games that master the art of innovation and refined operation are gaining greater commercial success and stronger user loyalty. In response to industry trends, the Group remained unwavering in pursuing the core strategy of “Premiumization, Globalization, Long-term Development” (“精品化、全球化、長線化”), and maintained stable and healthy business development during the Reporting Period. On the one hand, we further explored the potential of existing evergreen games through innovative content updates and meticulous long-term operations, continuously stimulating new growth curves for such products. On the other hand, we concentrated core resources on advancing the R&D of flagship pipeline products and proactively planned for the launch of new games with global potential, thereby laying a solid foundation for the Group’s sustainable development.

The Group has made remarkable achievements in the following aspects during the Reporting Period:

- (1) **Highly effective long-term operations, and rejuvenation of core game:** In June 2025, the self-developed flagship game *The Marvelous Snail/SuperSnail* (最強蝸牛) celebrated its fifth anniversary in Mainland China and HMT regions, and attracted waves of returning veteran players and saw significant improvement in user spending willingness after launching its brand-new anniversary version and gameplay optimization. In the anniversary event, the ARPPU grew from approximately RMB200 to nearly RMB300, representing an increase of about 50%, fully exhibiting the Group’s outstanding capabilities in game content innovation, long-term operations and other aspects;
- (2) **Steady progress in globalization strategy, and another triumph in developing global market:** Following the successes in multiple overseas markets, the Group is actively preparing for the launch of the Korean version of *The Marvelous Snail/SuperSnail* (最強蝸牛), with the official debut expected in the second half of 2025, further improving the Group’s influence in key markets. The overseas release of *Cardcaptor Sakura: Memory Key* (魔卡少女櫻：回憶鑰匙) in Vietnam and Japan is under preparation at the same time. Such further expansion of overseas operations will shape diversified and stable impetuses for the Group’s revenue growth; and

- (3) **Focusing on breakthroughs in R&D pipeline, with solid foundation for future growth:** The Group progressed smoothly in developing the strategic self-developed title *Project E* (項目E) and has recently initiated the Planck Test for core players, accelerating the iteration of game R&D versions through interaction with players. Integrating map exploration, backpack management, resource collection and other innovative gameplay elements, this game is positioned to be the Group's next milestone product, and is gathering strong momentum for leapfrog development of the Group in the future. Concurrently, the Group is persistently refining the R&D process and fully embracing cutting-edge technologies like AI to further enhance R&D efficiency and product quality.

During the Reporting Period, in terms of financial data: the Group recorded a revenue of approximately RMB247 million, representing a decrease of 27.86% as compared to the revenue of RMB343 million in the corresponding period last year. Due to operational efficiency improvement of core products and effective cost control, the Group recorded a profit attributable to equity holders of the Company of approximately RMB70.26 million, representing an increase of 55.92% as compared to RMB45.06 million in the corresponding period last year, indicating sustained improvement of profitability.

During the Reporting Period, in terms of game operating data: as of June 30, 2025, the Group had 100.45 million cumulative registered players, representing a year-on-year increase of 7.56%; the average number of monthly active users was approximately 1.1440 million, representing a year-on-year decrease of 47.50%; the average number of monthly paying users was approximately 140,600, representing a year-on-year decrease of 44.40%; the ARPPU amounted to RMB289.79, representing a year-on-year increase of 5.26%. The main reasons for the changes in the abovementioned game operating data are (i) the decline in active users and paying users as some games are in maturity stage; and (ii) the Group attracted new players to register and some old players to return by launching brand-new game versions and optimizing game content, which also improved users' willingness to pay.

## OUR GAMES

The Group develops, publishes and operates a number of premium mobile games. As of June 30, 2025, we have a number of existing mobile application games, covering idle games, Rogue-like RPG and other RPG, and mini program games.

Below is an overview of our major games:

***The Marvelous Snail/SuperSnail (最強蝸牛)*** (known as *SuperSnail* in regions including Southeast Asia, Europe and the United States), launched in June 2020, is our iconic self-developed idle game. As of June 30, 2025, the game recorded cumulative gross billings of more than RMB3,786 million domestically and overseas, with 29.4039 million cumulative registered players. During the Reporting Period, *The Marvelous Snail/SuperSnail (最強蝸牛)* celebrated its fifth anniversary of its launch in Mainland China and HMT regions, introducing new storylines and gameplay features, unveiling the new character “Gua Gua (呱呱)” and the ninth realm “Persia (波斯)”, receiving enthusiastic responses from the player community. While attracting new players, these updates saw waves of returning veteran players. In the anniversary event, the game hit recent highs in multiple operating metrics, and its overseas versions maintained sound and robust long-term operations. Further, the Korean version of *The Marvelous Snail/SuperSnail (最強蝸牛)* has entered into the final preparation stage and is poised to further expand the game’s global footprint. During the Reporting Period, the total domestic and overseas revenue recorded by the game is approximately RMB147 million.

***Lantern and Dungeon (提燈與地下城)***, launched in March 2021, is a Rogue-like RPG that we introduced through in-licensing. As a product that has thrived in the market for over four years, the game remains vibrant under the Group’s continuous refinement in gaming experience and introduction of fresh contents. During the Reporting Period, the game recorded a revenue of approximately RMB6.87 million.

***Sword and Fairy: Wen Qing (新仙劍奇俠傳之揮劍問情)***, launched in June 2023, is a story card mobile game jointly published by the Group and CMGE. During the Reporting Period, we maintained player activity and game vitality through ongoing content updates and community activities. During the Reporting Period, the game celebrated its second anniversary and launched related commemorative activities, and recorded a revenue of approximately RMB21.52 million domestically and overseas.

***Cardcaptor Sakura: Memory Key (魔卡少女櫻：回憶鑰匙)***, a mobile game created based on the teenage girl themed animation of *CardCaptor Sakura: Clear Card (庫洛魔法使：透明牌篇)* with genuine licensing. In September 2023, the game was launched in Mainland China and has sustained its stable operation in Mainland China and HMT regions, maintaining player enthusiasm through regular introduction of new costumes and pop-up events. During the Reporting Period, the game recorded a revenue of approximately RMB3.76 million. The Group is also preparing for the release of the game in Vietnam and Japan.

***Fat Goose Gym (肥鵝健身房)***, launched in Japan in February 2024, is a casual game that we introduced through in-licensing, in which players can build a gym through synthetic gameplay, expand more areas and install equipment and furniture to attract more fat goose customers to visit. After more than one year of operation, the game has accumulated a stable user base in the Japanese market. During the Reporting Period, the game celebrated its anniversary and launched a number of new versions, and recorded a revenue of approximately RMB21.71 million.

***Lost Light (迷途之光)***, launched in June 2024, is a pixel style rogue-like pop-up game that we introduced through in-licensing. The game is based on action-adventure, combining map exploration and card raising gameplay with a huge number of skills to choose from, and allows players to advance and explore through free combination of skills. During the Reporting Period, the game recorded a revenue of approximately RMB6.76 million.

***Ares Virus 2 (阿瑞斯病毒2)***, launched in August 2024, is an adventure survival RPG that we introduced through in-licensing and a sequel to *Ares Virus (阿瑞斯病毒)* with a top-down perspective and a unique and fresh ballpoint pen style. During the Reporting Period, the game recorded a revenue of approximately RMB29.85 million.

***Gumballs & Dungeons (不思議迷宮)***, launched in August 2016, is our self-developed Rogue-like RPG. Since its launch, over 25 million cumulative registered players were recorded as of June 30, 2025. After eight years, the Group launched a free to download and play version of *Gumballs & Dungeons (不思議迷宮)* in March 2025 on Steam, which has received enthusiastic responses from players, ranked the 6th on the global popular free games chart (Trending Free) and received a “Overwhelmingly Positive” rating, demonstrating the Group’s exceptional ability in long-term IP management. During the Reporting Period, the game recorded a revenue of approximately RMB3.91 million.

Other major games such as ***Eternal Adventure (無盡大冒險)*** (launched in June 2015, one of our self-developed classic games that combines the features of idle gameplay experience and Diablo-like adventure), ***Ares Virus (阿瑞斯病毒)*** (launched in August 2018, our survival RPG introduced through in-licensing), ***Servitor Project (使魔計劃)*** (launched in January 2023, our self-developed strategy card game), ***Time Voyager (時光旅行社)*** (launched in December 2023, our self-developed infinite stream casual idle game) continued to contribute steady revenue to the Group, which amounted to approximately RMB3.30 million in total during the Reporting Period.

## PLAYER COMMUNITY

We have nurtured a vibrant community of players on various mobile game forums and social media platforms – QingCi Enthusiasts community. Through the QingCi community, our players can receive the latest information about our games, including recent events that we organize, opportunities to participate in testing our new games and free in-game virtual items.

As of June 30, 2025, our games had accumulated 16.2036 million QingCi Enthusiasts who contacted us through our official accounts and groups on social media platforms, such as Tencent QQ, WeChat, TapTap and Bilibili, representing an increase of 8.22% as compared with the same period last year. Our frequent and close interactions with QingCi Enthusiasts creates a virtuous circle as the feedback from the player community can help us to develop and improve our games, thereby attracting more active players.

## OUTLOOK

At present, the Group has a pipeline of multiple games, covering various genres and categories, including RPG, SLG and card games:

Title	Mobile Game Genre	Source	Development Stage as of June 30, 2025	Expected Launch Time
Tingus Goose (神經鵝)	Casual game	In-licensed	Game production, testing and optimization	2025
Project W	Card RPG	In-licensed	Game production, testing and optimization	2026
Project E	SLG	Development in-house	Game production, testing and optimization	2026
Project HA	Card RPG	In-licensed	Game production, testing and optimization	2027
Project F	Survival socialization	In-licensed	Game production, testing and optimization	2027

*Note: During the Reporting Period, the Group optimized the allocation of resources according to the progress of the pipeline game projects, and the progress of Project T (項目T) has been put on hold.*

Looking ahead, priority of the Group's work will be centered on the following aspects:

- Advancing long-term operation persistently to maximize the value of existing games:** We will replicate the successful experience of the fifth anniversary celebration of *The Marvelous Snail/SuperSnail* (最強蝸牛) into the operation of other games, and explore more innovative approaches to maintain and enhance the vitality of the evergreen games;



2. **Exploring the introduction of new products and accumulating multi-platform publication experiences:** While continuously deepening our presence in the mobile game market, the Group is also actively exploring diversified product forms and cross-platform publication channels to broaden its global user reach and accumulate varied operation experience. Recently, the Group has licensed a casual game titled *Tingus Goose* (神經鵝), which is intended to be launched on the Steam platform. Players obtain continuous growth rewards through mechanisms such as placing props, synthetic mutations, and idle AFK gameplay. *Tingus Goose* (神經鵝) combines a unique tone and bizarre art style, positioning it to tap into the younger gaming community on the Steam platform. Following the launch of *Gumballs & Dungeons* (不思議迷宮) on the Steam platform, the launch of *Tingus Goose* (神經鵝) will mark another step for the Group in the moderately casual PC game market, and it also represents a fresh endeavor of the Group in IP content expression, multi-cultural market testing, and community operation mechanisms, laying a more solid foundation for the globalization strategy of future premium projects; and
3. **Focusing on core self-developed projects, building long-term competitive moats:** The self-developed flagship *Project E* (項目E), serving as a strategic core of the Group, integrates map exploration, backpack management, resource collection and other gameplay elements, and has now initiated the Planck Test for core players, who have provided highly positive feedback on its innovative gameplay mechanics and artistic style. With the ambition of creating a globally competitive masterpiece, the Group will polish the project with meticulous works until it delivers on its commitment.

Building upon the thriving evergreen games as the bedrock, we will proactively advance the R&D of blockbusters and introduce new IP products, laying a solid foundation for mid-to-long-term performance growth. Remaining player-centric and premium quality oriented, we will relentlessly reinforce our capabilities in R&D and operation integration, so as to bring a high-quality gameplay experience to our players all over the world.

## FINANCIAL REVIEW

### Revenue

Our revenue is mainly derived from (i) game operating business where we generate revenues primarily from the sales of in-game virtual items; (ii) game licensing business where we generate revenues from license fees paid by third-party publishers; (iii) information services business where we generate revenues from providing performance-based in-game marketing and promotion services to advertisers or their agents who promote their customers' products in our games to players; and (iv) other services and sales where we generate revenues from sales of game peripheral products and provision of technical services.



The following table sets forth a breakdown of our revenues by line of business for the six months ended June 30, 2025 and 2024.

	For the six months ended June 30,				2025 vs. 2024
	2025		2024		Change
	RMB'000 (unaudited)	%	RMB'000 (unaudited)	%	%
Game operating revenues					
Self-developed	147,441	59.7	196,738	57.5	(25.1)
Licensed	91,200	36.9	126,434	36.9	(27.9)
Subtotal	238,641	96.6	323,172	94.4	(26.2)
Game licensing revenue	2,744	1.1	6,323	1.8	(56.6)
Information service revenue	3,076	1.2	9,290	2.7	(66.9)
Other services and sales	2,719	1.1	3,837	1.1	(29.1)
<b>Total revenues</b>	<b>247,180</b>	<b>100.0</b>	<b>342,622</b>	<b>100.0</b>	<b>(27.9)</b>

### ***Game Operating Revenues***

Our game operating revenues decreased by 26.2% to approximately RMB238.6 million for the six months ended June 30, 2025 from the corresponding period in 2024, primarily due to the decrease in user spending as some games are in maturity stage; meanwhile, we have mitigated the decline in game revenue by continuously launching brand-new game versions and optimizing game content to enhance users' overall payment. Specifically:

- our revenue from self-developed games decreased by 25.1% to approximately RMB147.4 million for the six months ended June 30, 2025 from the corresponding period in 2024, primarily due to the decline in revenue as *The Marvelous Snail/SuperSnail* (最強蝸牛) is in maturity stage; and
- our revenue from licensed games decreased by 27.9% to approximately RMB91.2 million for the six months ended June 30, 2025 from the corresponding period in 2024, primarily due to the decline in revenue from games such as *Sword and Fairy: Wen Qing* (新仙劍奇俠傳之揮劍問情) in Mainland China, *Cardcaptor Sakura: Memory Key* (魔卡少女櫻：回憶鑰匙) and *Lantern and Dungeon* (提燈與地下城), partially offset by the increase in revenue resulting from *Lost Light* (迷途之光) (which was launched in June 2024 in Mainland China) and the new operating game *Ares Virus 2* (阿瑞斯病毒2) (which was launched in August 2024 in Mainland China).

### ***Game Licensing Revenue***

Our game licensing revenue decreased by 56.6% to approximately RMB2.7 million for the six months ended June 30, 2025 from the corresponding period in 2024, primarily due to the fact that *The Marvelous Snail/SuperSnail* (最強蝸牛) in HMT regions transitioned from external licensing to direct operations by the Group during the Reporting Period.

### ***Information Service Revenue***

Our information service revenue decreased by 66.9% to approximately RMB3.1 million for the six months ended June 30, 2025 from the corresponding period in 2024, primarily due to the decrease in in-game advertisement views or clicks.

### ***Other Services and Sales***

Our other services and sales revenues decreased by 29.1% to approximately RMB2.7 million for the six months ended June 30, 2025 from the corresponding period in 2024, primarily due to the decrease in revenue generated from sales of peripheral products and through marketing and promotion on third-party platforms and others.

### ***Cost of Revenues***

Our cost of revenues decreased by 28.9% from approximately RMB130.8 million for the six months ended June 30, 2024 to approximately RMB93.0 million for the six months ended June 30, 2025. Our cost of revenues primarily consisted of (i) commissions charged by distribution and payment channels, representing revenue share payments to third-party distribution platforms and payment service providers for our self-published games; (ii) commissions charged by third-party game developers and IP holders; (iii) bandwidth and servers custody fee; (iv) employee benefits expenses related to our system maintenance and customer service personnel, including wages, salaries, bonuses, social insurance contributions and other employee benefits; and (v) others, including outsourced technical service fees, professional service fees, the impairments of prepayments to some game developers which were included in the cost of revenues, and miscellaneous expenses.

The following table sets forth our cost of revenues by nature in absolute amounts and as percentages of our total cost of revenues for the six months ended June 30, 2025 and 2024.

	For the six months ended June 30,				
	2025		2024		2025 vs. 2024
	<i>RMB'000</i> (unaudited)	%	<i>RMB'000</i> (unaudited)	%	Change %
Commissions charged by distribution and payment channels	55,782	60.0	69,168	52.9	(19.4)
Commissions charged by third-party game developers and IP holders	16,060	17.3	38,173	29.2	(57.9)
Bandwidth and servers custody fee	8,942	9.6	8,953	6.8	(0.1)
Employee benefits expenses	5,455	5.9	6,051	4.6	(9.8)
Others	6,793	7.2	8,490	6.5	(20.0)
<b>Total</b>	<b>93,032</b>	<b>100.0</b>	<b>130,835</b>	<b>100.0</b>	<b>(28.9)</b>

Our cost of revenue for commissions charged by distribution and payment channels decreased by 19.4% to approximately RMB55.8 million for the six months ended June 30, 2025 from the corresponding period in 2024, primarily due to the decreased commissions paid to distribution and payment channels as a result of the decrease in game operating revenue.

Our cost of revenue for commissions charged by third-party game developers and IP holders decreased by 57.9% to approximately RMB16.1 million for the six months ended June 30, 2025 from the corresponding period in 2024, primarily due to the decreased commissions paid to third-party developers and IP holders as a result of the decrease in revenue from licensed games brought about by *Sword and Fairy: Wen Qing* (新仙劍奇俠傳之揮劍問情), *Cardcaptor Sakura: Memory Key* (魔卡少女櫻：回憶鑰匙) and *Lantern and Dungeon* (提燈與地下城) and others, partially offset by increased commissions paid to third-party developers as a result of the increase in revenue from licensed games such as *Lost Light* (迷途之光) (which was launched in June 2024 in Mainland China) and the new operating game *Ares Virus 2* (阿瑞斯病毒2) (which was launched in August 2024 in Mainland China).

Our cost of revenue for employee benefits expenses decreased by 9.8% to approximately RMB5.5 million for the six months ended June 30, 2025 from the corresponding period in 2024, primarily due to the decrease in number of customer service center employees, which led to the decrease in our employee expenses on a year-on-year basis.

Our cost of revenue for others decreased by 20.0% to approximately RMB6.8 million for the six months ended June 30, 2025 from the corresponding period in 2024, primarily due to the decrease in outsourced technical service fee related to customer service on a year-on-year basis, partially offset by the impairments of prepayments to relevant game developers which were included in the cost of revenues.

### **Gross Profit and Gross Margin**

Our gross profit decreased by 27.2% from approximately RMB211.8 million for the six months ended June 30, 2024 to approximately RMB154.1 million for the six months ended June 30, 2025, primarily due to the natural decline in gross billings of games as core games are in maturity stage. Our gross margin amounted to 62.4% for the six months ended June 30, 2025, which remained largely unchanged as compared with 61.8% for the same period last year.

### **Selling and Marketing Expenses**

Our selling and marketing expenses consisted of (i) marketing and promotion expenses paid to our online and offline marketing service providers, including traffic acquisition and brand marketing and promotion expenses; (ii) employee benefits expenses related to our sales and marketing personnel; and (iii) others, including office expenses incurred for our sales and marketing activities and miscellaneous expenses.

Our selling and marketing expenses decreased by 58.3% from approximately RMB131.9 million for the six months ended June 30, 2024 to approximately RMB55.0 million for the six months ended June 30, 2025. This was primarily due to the Group's efficient operations management and cost control, which led to the significant decrease in selling and marketing expenses of *Fat Goose Gym* (肥鵝健身房), *Sword and Fairy: Wen Qing* (新仙劍奇俠傳之揮劍問情) and *Cardcaptor Sakura: Memory Key* (魔卡少女櫻：回憶鑰匙) and others, partially offset by the increase in the selling and marketing expenses of new operating games *Ares Virus 2* (阿瑞斯病毒2) (which was launched in August 2024 in Mainland China) and *The Marvelous Snail/SuperSnail* (最強蝸牛) in Europe and the United States and others.

## **R&D Expenses**

Our R&D expenses consisted of (i) employee benefits expenses related to our R&D staff; (ii) outsourced technical service fee; and (iii) others, including office expenses incurred for our R&D activities, depreciation of right-of-use assets, rental expenses, utilities and miscellaneous expenses.

Our R&D expenses decreased by 10.8% from approximately RMB47.1 million for the six months ended June 30, 2024 to approximately RMB42.0 million for the six months ended June 30, 2025, primarily due to the Group's further improvement of R&D efficiency, focusing on core game projects and streamlining of R&D staff for some other game projects, which led to the decrease in employee expenses related to R&D on a year-on-year basis.

## **General and Administrative Expenses**

Our general and administrative expenses primarily consisted of (i) employee benefits expenses related to our supporting staff; (ii) depreciation of right-of-use assets on our leases; (iii) tax surcharges, including VAT surcharges and stamp duty; (iv) rental expenses and utilities; and (v) others, including office expenses, depreciation of property, plant and equipment, professional services fee and miscellaneous expenses.

Our general and administrative expenses amounted to approximately RMB27.4 million for the six months ended June 30, 2025, which remained largely unchanged as compared with RMB27.4 million for the same period last year.

## **Fair Value Changes on Investments Measured at Fair Value through Profit or Loss**

Our fair value changes on investments measured at fair value through profit or loss reflected changes in the fair value of (i) certain of our long-term equity investments, which were equity investments in private equity funds as limited partners without significant influence, and investments in investee companies; and (ii) our short-term investments, primarily consisting of investment funds and wealth management products.

Our fair value changes on investments measured at fair value through profit or loss increased by 4.8% from gains of approximately RMB42.1 million for the six months ended June 30, 2024 to gains of approximately RMB44.1 million for the six months ended June 30, 2025, mainly due to the increase in the fair value gains from investment funds and wealth management products.

### **Other Income**

Our other income primarily consisted of (i) subsidies, mainly including government subsidies granted by local governments to support our R&D activities and in recognition of our contribution to local economic development; and (ii) dividend distribution from long-term investments measured at fair value through profit or loss.

Our other income increased by 225.9% from approximately RMB0.8 million for the six months ended June 30, 2024 to approximately RMB2.5 million for the six months ended June 30, 2025, mainly due to the increase in government subsidies and dividend distribution from long-term investments measured at fair value through profit or loss.

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

Our net other gains/(losses) primarily consisted of (i) net foreign exchange gains/losses arising from revenue and trade receivables denominated in USD and JPY; and (ii) donations to charity organizations.

Our net other gains/(losses) recorded a turnaround from net losses of approximately RMB11.6 million for the six months ended June 30, 2024 to net gains of approximately RMB4.4 million for the six months ended June 30, 2025, primarily due to the significant increase in exchange gain as compared to the same period last year, as a result of the appreciation of JPY against USD and hence the appreciation of the Group's JPY holdings in the first half of 2025, as well as the Group's healthy foreign exchange management practices.

### **Income Tax Expenses**

Our income tax expenses increased by 1,555.6% from income tax expenses of approximately RMB0.8 million for the six months ended June 30, 2024 to income tax expenses of approximately RMB12.5 million for the six months ended June 30, 2025, mainly due to the utilization and reversal of part of the previously recognized deferred tax assets by the Group during the Reporting Period.



## **Profit for the Reporting Period**

Our profit for the Reporting Period increased by 90.2% from a net profit of approximately RMB38.2 million for the six months ended June 30, 2024 to a net profit of approximately RMB72.7 million for the six months ended June 30, 2025, which were mainly attributable to (i) the Group's efficient operations management and cost control, and the significant decrease in the Group's marketing expenses, etc. as compared to the same period last year; and (ii) the significant increase in exchange gain as compared to the same period last year, arising from positive exchange rate fluctuations and the Group's healthy foreign exchange management practices. The increase in net profit of the Group was partially offset by the decreased gross profit resulting from the natural decline in gross billings of games.

## **Liquidity, Capital Resources and Gearing Ratio**

We fund our operations primarily through cash generated from our operating activities and capital contribution from our Shareholders.

The Group's total cash and cash equivalents decreased by 12.6% from approximately RMB450.0 million as of December 31, 2024 to approximately RMB393.5 million as of June 30, 2025. The decrease in total cash and cash equivalents during the Reporting Period was primarily due to (i) the usage of proceeds raised from the Global Offering; and (ii) the usage of part of our own funds for short-term investments.

As of June 30, 2025, we had borrowings of approximately RMB20.0 million. As of the same date, we still had a banking credit facility of approximately RMB70.0 million, and we did not draw down the facility as deposit to secure our obligations under our foreign currency forward contract.

As of June 30, 2025, the current assets of the Group amounted to approximately RMB1,748.9 million, and the current liabilities of the Group amounted to approximately RMB150.7 million. Current ratio is calculated as total current assets divided by total current liabilities. As of June 30, 2025 and 2024, the current ratio of the Group was 1,160.4% and 1,013.9%, respectively.

Gearing ratio is calculated as total liabilities divided by total assets. As of June 30, 2025 and 2024, the gearing ratio of the Group was 7.7% and 9.8%, respectively.

## **Material Acquisitions and Disposals and Significant Investments**

As at June 30, 2025, the Group's short-term investments measured at fair value through profit or loss increased by 11.8% from approximately RMB1,146.2 million as at December 31, 2024 to approximately RMB1,280.9 million as at June 30, 2025. The short-term investments mainly included investment funds and wealth management products. The increase was mainly attributable to (i) the increase in the fair value gains from investment funds and wealth management products; and (ii) the increase in our allocation to funds and wealth management products in order to improve the Group's utilization of our own funds during the Reporting Period. For the six months ended June 30, 2025, no single investment of the Group accounted for more than 5% of the total assets of the Group.

Except for the above, the Group did not have any material acquisitions and disposals and significant investments during the six months ended June 30, 2025.

## **Future Plans for Material Investments and Capital Assets**

As at June 30, 2025, the Group did not have any plans for material investments and capital assets.

## **Pledge of Assets**

As of June 30, 2025, we did not pledge any of our assets.

## **Capital Expenditure**

For the six months ended June 30, 2025, our total capital expenditure was approximately RMB1.7 million, compared to approximately RMB1.1 million for the six months ended June 30, 2024. Our capital expenditure primarily included our purchase of property, plant and equipment, mainly related to the purchase of office equipment. We funded these expenditures with cash generated from our operating activities. We plan to fund our future capital expenditures with our cash from operating activities.

## **Contingent Liabilities**

As of June 30, 2025, we did not have any material contingent liabilities.

## **Foreign Exchange Risk Management**

We operate globally through overseas third-party publishers and are exposed to foreign exchange risk arising from various currency exposures, mainly including USD and JPY. Our foreign exchange risk primarily arose from recognized assets and liabilities when receiving or to receive foreign currencies from overseas counterparties. We managed our foreign exchange risk exposures through foreign currency forward contracts during the six months ended June 30, 2025.

## **Employee and Remuneration Policy**

As of June 30, 2025, we had 536 full-time employees, substantially all of whom were based in Mainland China and 16 of whom were based overseas.

We recruit talent primarily from job fairs as well as word-of-mouth referrals. We provide regular training to our employees covering various aspects including our culture and technical know-how. We also follow up with the employees to evaluate the effect of the training, which is aimed at enhancing our employees' skillset and helping them stay up-to-date with industry and technology developments. In addition, we discover and incubate future game producers who display strong innovation and game design talent. We encourage and support our employees keen on mobile game development to become our producers. They may form new core project teams with other like-minded employees to develop new games. We compensate our employees with salaries, welfare payments, and performance-based and annual bonuses.

# CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 2025

		Six months ended June 30,	
		2025	2024
	Notes	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Revenue	4	247,180	342,622
Cost of sales	5	<u>(93,032)</u>	<u>(130,835)</u>
<b>Gross profit</b>		<b>154,148</b>	<b>211,787</b>
Selling and marketing expenses	5	(55,041)	(131,912)
Research and development expenses	5	(42,016)	(47,128)
General and administrative expenses	5	(27,426)	(27,440)
Net impairment losses on financial assets	5	(35)	(275)
Fair value changes on investments measured at fair value through profit or loss		44,066	42,050
Other income	6	2,467	757
Other gain/(losses), net	7	<u>4,352</u>	<u>(11,569)</u>
<b>Operating profit</b>		<b>80,515</b>	<b>36,270</b>
Finance income		4,984	5,322
Finance costs		<u>(1,130)</u>	<u>(1,295)</u>
Finance income, net		3,854	4,027
Share of results of investments accounted for using equity method		<u>779</u>	<u>(1,340)</u>
<b>Profit before income tax</b>		<b>85,148</b>	<b>38,957</b>
Income tax expenses	8	<u>(12,483)</u>	<u>(754)</u>
<b>Profit for the period</b>		<b><u>72,665</u></b>	<b><u>38,203</u></b>
<b>Other comprehensive income:</b>			
Items that may not be reclassified to profit or loss			
– Currency translation differences		210	7,589
Items that may be subsequently reclassified to profit or loss			
– Currency translation differences		<u>(6,538)</u>	<u>3,209</u>
<b>Total comprehensive income for the period</b>		<b><u>66,337</u></b>	<b><u>49,001</u></b>

		Six months ended June 30,	
		2025	2024
Notes		<b>RMB'000</b>	<b>RMB'000</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Profit for the period attributable to:</b>			
Equity holders of the Company		<b>70,257</b>	45,059
Non-controlling interests		<u><b>2,408</b></u>	<u>(6,856)</u>
		<u><b>72,665</b></u>	<u>38,203</u>
<b>Total comprehensive income for the period attributable to:</b>			
Equity holders of the Company		<b>63,906</b>	55,225
Non-controlling interests		<u><b>2,431</b></u>	<u>(6,224)</u>
		<u><b>66,337</b></u>	<u>49,001</u>
<b>Earnings per share for profit for the period attributable to the equity holders of the Company</b>			
Basic earnings per share (RMB)	9	<u><b>0.10</b></u>	<u>0.07</u>

# CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2025

		As at June 30, 2025	As at December 31, 2024
	Notes	RMB'000 (Unaudited)	RMB'000 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		12,751	14,055
Right-of-use assets		11,124	18,279
Intangible assets		1,650	1,536
Deferred tax assets		26,876	29,841
Investments accounted for using the equity method		33,642	32,863
Long-term investments measured at fair value through profit or loss		151,602	161,254
Prepayments, deposits and other assets		33,014	36,363
Term deposits		10,000	—
		<u>280,659</u>	<u>294,191</u>
<b>Current assets</b>			
Trade receivables	10	36,359	39,198
Inventories		1,924	1,022
Prepayments, deposits and other assets		34,230	50,459
Short-term investments measured at fair value through profit or loss	11	1,280,943	1,146,208
Term deposits		2,000	—
Cash and cash equivalents		393,458	449,975
		<u>1,748,914</u>	<u>1,686,862</u>
<b>Total assets</b>		<u><u>2,029,573</u></u>	<u><u>1,981,053</u></u>
<b>EQUITY</b>			
Share capital	12	44	44
Share premium	12	5,117,821	5,117,821
Other reserves		(2,898,758)	(2,893,722)
Accumulated deficit		(338,311)	(408,568)
<b>Equity attributable to equity holders of the Company</b>		<u>1,880,796</u>	<u>1,815,575</u>
Non-controlling interests		(7,638)	(8,754)
<b>Total equity</b>		<u><u>1,873,158</u></u>	<u><u>1,806,821</u></u>



		As at <b>June 30, 2025</b> <i>RMB'000</i> (Unaudited)	As at December 31, 2024 <i>RMB'000</i> (Audited)
	<i>Notes</i>		
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities		<b>5,702</b>	8,694
Deferred tax liabilities		<u>—</u>	<u>21</u>
		<b><u>5,702</u></b>	<b><u>8,715</u></b>
<b>Current liabilities</b>			
Trade payables	13	<b>27,041</b>	25,163
Other payables and accruals		<b>36,695</b>	64,723
Contract liabilities		<b>47,872</b>	38,849
Current income tax liabilities		<b>12,057</b>	4,944
Lease liabilities		<b>7,080</b>	11,864
Borrowings		<b><u>19,968</u></b>	<u>19,974</u>
		<b><u>150,713</u></b>	<b><u>165,517</u></b>
<b>Total liabilities</b>		<b><u><u>156,415</u></u></b>	<b><u><u>174,232</u></u></b>
<b>Total equity and liabilities</b>		<b><u><u>2,029,573</u></u></b>	<b><u><u>1,981,053</u></u></b>

# NOTES TO THE INTERIM FINANCIAL INFORMATION

## 1. GENERAL INFORMATION

Qingci Games Inc. (the “**Company**”) is an exempted company with limited liability incorporated under the laws of the Cayman Islands on March 12, 2021.

The Company is an investment holding company. The Company and its subsidiaries, including consolidated structured entities (together, the “**Group**”) are principally engaged in development and operation of mobile games and provision of information services in the People’s Republic of China (the “**PRC**”) and other areas. For the purpose of preparing the condensed consolidated interim financial statements, mainland China refers to the PRC excluding Hong Kong Special Administrative Region of the PRC (“**Hong Kong**”), Macau Special Administrative Region of the PRC (“**Macau**”) and Taiwan Province of the PRC.

The Company’s shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since December 16, 2021.

## 2. BASIS OF PREPARATION

The condensed consolidated interim financial statements for the six months ended June 30, 2025 (the “**Interim Financial Information**”) has been prepared in accordance with Hong Kong Accounting Standard 34 (“**HKAS 34**”), issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosure provisions of Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Interim Financial Information has been prepared with the same accounting policies adopted in the 2024 annual financial statements (the “**2024 Financial Statements**”), except for those that relate to amended standards effective for the first time for periods beginning on or after January 1, 2025 or agenda decision of the IFRS Interpretations Committee of the International Accounting Standards Board. Details of any changes in material accounting policies are set out in note 3.

The preparation of the Interim Financial Information in accordance with HKAS 34 requires the use of certain judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The Interim Financial Information are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand (RMB’000) unless otherwise stated.

## 3. MATERIAL ACCOUNTING POLICIES

### (a) Amended standards adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended December 31, 2024, except for the adoption of the following amended HKFRS Accounting Standard for the first time for the current period’s interim financial information.

Amendments to HKAS 21

Lack of Exchangeability

The nature and impact of the amended HKFRS Accounting Standard to the Group are described below:

Amendments to HKAS 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 of the Group.

**(b) New standards and amendments to standards that have been issued but not effective**

The Group has not applied the following new and amended HKFRS Accounting Standards, that are expected to be relevant to the Group and have been issued but are not yet effective, in these interim financial statements. The Group intends to apply these new and amended HKFRS Accounting Standards, if applicable, when they become effective.

***Effective for accounting year beginning on or after***

Amendments to HKAS 28 and HKFRS 10	Sale or contribution of assets between an investor and its associate or joint venture <sup>3</sup>
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>1</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>2</sup>
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after January 1, 2026

<sup>2</sup> Effective for annual/reporting periods beginning on or after January 1, 2027

<sup>3</sup> No mandatory effective date yet determined but available for adoption

**4. SEGMENT INFORMATION AND REVENUE**

The Group's business activities for game operating, licensing and information services, for which discrete financial information is available, are regularly reviewed and evaluated by the chief operating decisionmaker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company that make strategic decisions. As a result of this evaluation, the directors of the Company consider that the Group's operation is operated and managed as a single segment and no segment information is presented, accordingly.

As at June 30, 2025 and December 31, 2024, substantially all of the non-current assets of the Group were located in the PRC.

Revenue for the six months ended June 30, 2025 and 2024 are as follows:

	<b>Six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Game operating revenues		
– Self-developed	<b>147,441</b>	196,738
– Licensed	<b>91,200</b>	126,434
<b>Subtotal</b>	<b>238,641</b>	323,172
Game licensing revenue	<b>2,744</b>	6,323
Information service revenue	<b>3,076</b>	9,290
Other revenue	<b>2,719</b>	3,837
<b>Total revenues</b>	<b>247,180</b>	342,622
Cost of revenues	<b>(93,032)</b>	(130,835)
<b>Gross profit</b>	<b>154,148</b>	211,787
<b>Gross margin</b>	<b>62%</b>	62%

Revenues of approximately RMB6 million and RMB14 million for the six months ended June 30, 2025 and 2024, respectively, were from five largest single customers.

During the six months ended June 30, 2025 and 2024, none of single customers individually exceeding 10% of the Group's revenue.

The table below sets forth a breakdown of the Group's revenue by timing of recognition for the six months ended June 30, 2025 and 2024, respectively:

	<b>Six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Over the time	<b>102,921</b>	173,538
At a point in time	<b>144,259</b>	169,084
<b>Total</b>	<b>247,180</b>	342,622

The table below sets forth a breakdown of the Group's game operating revenue by geographical areas for the six months ended June 30, 2025 and 2024, respectively:

	Six months ended June 30,	
	2025 <i>RMB'000</i> (Unaudited)	2024 <i>RMB'000</i> (Unaudited)
Mainland China	146,132	199,907
Other areas (a)	101,048	142,715
<b>Total</b>	<b>247,180</b>	<b>342,622</b>

(a) Revenue from other areas mainly include revenue from local versions operated in Japan, the United States of America, Canada, Australia, New Zealand, Hong Kong, Macau and Taiwan Province.

## 5. EXPENSES BY NATURE

	Six months ended June 30,	
	2025 <i>RMB'000</i> (Unaudited)	2024 <i>RMB'000</i> (Unaudited)
Marketing and promotion expenses	34,913	107,893
Employee benefits expenses	77,646	82,977
Commissions charged by distribution channels	55,064	68,157
Commissions charged by game developers and IP holders	16,060	38,173
Bandwidth and server custody fee	8,942	8,953
Outsourced technical services	2,932	6,501
Office expenses	4,408	5,364
Depreciation of right-of-use assets	4,549	5,253
Professional services fee	3,069	4,694
Depreciation of property, plant and equipment	2,689	2,578
Amortization of intangible assets	331	–
Auditor remuneration		
– Audit service	1,540	2,000
– Non-audit service	280	102
Commissions charged by payment channel	718	1,011
Impairment of non-financial assets	2,529	1,000
Tax surcharges	165	639
Rental expenses and utilities	758	612
Net impairment losses on financial assets	35	275
Others	922	1,408
<b>Total</b>	<b>217,550</b>	<b>337,590</b>

## 6. OTHER INCOME

	Six months ended June 30,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Government subsidies	1,801	714
Dividend distribution from long-term investments measured at fair value through profit or loss	637	43
Others	29	—
<b>Total</b>	<b>2,467</b>	<b>757</b>

There are no unfulfilled conditions or contingencies related to the above government subsidies.

## 7. OTHER GAIN/(LOSSES), NET

	Six months ended June 30,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Foreign exchange gain/(losses), net	4,100	(11,448)
Donations to charity organizations	(11)	(223)
Others	263	102
<b>Total</b>	<b>4,352</b>	<b>(11,569)</b>

## 8. INCOME TAX EXPENSES

### Cayman Islands

Under the current laws of the Cayman Islands, the Company and its subsidiaries incorporated in the Cayman Islands are not subject to tax on income or capital gain. Additionally, the Cayman Islands does not impose a withholding tax on payments of dividends to shareholders.

### British Virgin Islands

Under the current laws of the British Virgin Islands, entities incorporated in British Virgin Islands are not subject to tax on their income or capital gains.

### Hong Kong

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit in respect of operations in Hong Kong.



## PRC corporate income tax (“CIT”)

CIT provision was made on the estimated assessable profits of entities within the Group incorporated in the PRC and was calculated in accordance with the relevant regulations of the PRC after considering the available tax benefits from refunds and allowances. The general PRC CIT rate is 25% during the six months ended June 30, 2025 and 2024.

Certain subsidiaries of the Group in the PRC, accordingly, are qualified as “high and new technology enterprise” and entitled to a preferential income tax rate of 15% during the period ended June 30, 2025 and 2024.

In addition, certain subsidiaries of the Company were entitled to other tax concessions, mainly including the preferential tax rate of 15% applicable to some subsidiaries located in certain areas of the Mainland China upon fulfilment of certain requirements of the respective local governments.

According to the relevant laws and regulations promulgated by the State Tax Bureau of the PRC, enterprises engaging in research and development activities are entitled to claim 200% of their research and development expenses incurred as tax deductible expenses when determining their assessable profits for that year (“**Super Deduction**”). The Group has made its best estimate for the Super Deduction to be claimed for the Group’s entities in ascertaining their assessable profits during the six months ended June 30, 2025 and 2024.

## PRC Withholding Tax (“WHT”)

According to the applicable PRC tax regulations, dividends distributed by a company established in the PRC to a foreign investor with respect to profits derived after January 1, 2008 are generally subject to a 10% WHT. If a foreign investor incorporated in Hong Kong meets the conditions and requirements under the double taxation treaty arrangement entered into between the PRC and Hong Kong, the relevant withholding tax rate will be reduced from 10% to 5% in certain circumstances.

Since the Group intends to permanently reinvest earnings from QC Digital Technology (Xiamen) Co. Ltd. (“**QC Digital**”) to further expand its businesses in PRC, it does not intend to declare dividends to its immediate foreign holding entities in the foreseeable future. Accordingly, no deferred income tax liability on WHT was accrued as at the end of the reporting period. Cumulative undistributed earnings of the Company’s PRC subsidiaries intended to be permanently reinvested were RMB247 million as at June 30, 2025 (2024: RMB255 million).

## Pillar Two Rules

The Group operates in certain jurisdictions where the Pillar Two Rules are effective or enacted but not effective. However, as the Group’s consolidated annual revenue is expected to be less than EUR750 million, the management of the Group considered the Group to be not liable to top-up tax under the Pillar Two Rules.

	Six months ended June 30,	
	2025	2024
	<i>RMB’000</i>	<i>RMB’000</i>
	(Unaudited)	(Unaudited)
Current income tax		
– Provision for the period	8,539	9,040
– Under/(over)-provision in respect of prior years	915	(88)
Deferred income tax	3,029	(8,198)
<b>Total income tax expenses</b>	<b>12,483</b>	<b>754</b>

Income tax expenses are recognised based on management's best knowledge of the income tax rates that would be applicable to the full financial period.

	Six months ended June 30,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Profit before income tax	85,148	38,957
Tax calculated at statutory income tax rate of 25% in mainland China	21,287	9,739
Tax effects of:		
Effect of different tax rates available to different jurisdictions	(5,125)	1,990
Preferential income tax rates applicable to subsidiaries	(4,750)	(5,258)
Expenses not deductible for income tax purposes	262	421
Non-taxable income	(7,799)	(7,216)
Super Deduction for research and development expenses	(1,691)	(7,285)
Tax losses utilised from prior years	(2,802)	(9,088)
Tax losses for which no deferred income tax assets were recognized	9,929	16,015
Temporary differences for which no deferred income tax assets were recognized, net	2,257	1,524
Under/(over)-provision in respect of prior years	915	(88)
<b>Total income tax expenses</b>	<b>12,483</b>	<b>754</b>

## 9. EARNINGS PER SHARE

### (a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders of the Company by the weighted average number of outstanding shares during the six months ended June 30, 2025 and 2024.

	Six months ended June 30,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Profit attributable to ordinary shareholders of the Company ( <i>RMB\$'000</i> )	70,257	45,059
Weighted average number of outstanding ordinary shares	691,330,500	691,330,500
<b>Basic earnings per share (<i>RMB</i>)</b>	<b>0.10</b>	<b>0.07</b>

### (b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of outstanding ordinary shares to assume conversion of all dilutive potential ordinary shares.

For the six months ended June 30, 2025 and 2024, diluted earnings per share presented is the same as the basic earnings per share as there was no dilutive potential ordinary share.

## 10. TRADE RECEIVABLES

	As at June 30, 2025 <i>RMB'000</i> (Unaudited)	As at December 31, 2024 <i>RMB'000</i> (Audited)
Distribution channels	32,792	31,826
Game publishers	1,988	4,449
Information service customers	1,275	2,348
Others	374	610
	<u>36,429</u>	<u>39,233</u>
Less: allowance for impairment	<u>(70)</u>	<u>(35)</u>
	<u><u>36,359</u></u>	<u><u>39,198</u></u>

- (a) Distribution channels and game publishers and information service customers usually settle the amounts within 30–60 days. Aging analysis of trade receivables based on the recognition date of the gross trade receivables at the respective reporting dates are as follows:

	As at June 30, 2025 <i>RMB'000</i> (Unaudited)	As at December 31, 2024 <i>RMB'000</i> (Audited)
Within 3 months	34,244	36,785
3 months to 6 months	1,132	1,682
6 months to 1 year	345	762
1 to 2 years	708	4
	<u>36,429</u>	<u>39,233</u>

# 11. SHORT-TERM INVESTMENTS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

The financial assets measured at fair value through profit or loss (current) are investment in listed companies, short positions in stocks of listed companies, investment funds and investment in bonds of which principal and returns are not guaranteed.

	Six months ended June 30,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
<b>Financial assets</b>		
<b>At the beginning of the period</b>	<b>1,146,208</b>	988,852
Additions	171,358	387,762
Change in fair value	44,320	42,148
Redemption	(76,254)	(328,243)
Currency translation differences	(4,689)	5,832
<b>At the end of the period</b>	<b>1,280,943</b>	1,096,351

	Six months ended June 30,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
<b>Financial liabilities – derivative instruments</b>		
<b>At the beginning of the period</b>	–	–
Additions	–	–
Change in fair value	48	–
Redemption	(48)	–
<b>At the end of the period</b>	–	–

	Six months ended June 30,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
<b>Financial liabilities – short positions in stocks of listed companies</b>		
<b>At the beginning of the period</b>	–	(7,671)
Additions	–	(62,976)
Change in fair value	–	(98)
Redemption	–	71,292
Currency translation differences	–	(547)
<b>At the end of the period</b>	–	–

## 12. SHARE CAPITAL AND SHARE PREMIUM

	Number of shares ‘000	Nominal value of shares USD ‘000	Equivalent nominal value of shares RMB ‘000	Share premium RMB ‘000
<b>Authorised</b>				
As at December 31, 2024 and June 30, 2025	<u>5,000,000</u>	<u>50</u>	<u>–</u>	<u>N/A</u>
<b>Issued</b>				
As at December 31, 2024 and June 30, 2025	<u>691,331</u>	<u>7</u>	<u>44</u>	<u>5,117,821</u>

## 13. TRADE PAYABLES

	As at June 30, 2025 RMB ‘000 (Unaudited)	As at December 31, 2024 RMB ‘000 (Audited)
Trade payables	<u>27,041</u>	<u>25,163</u>

Trade payables are primarily sharing of proceeds due to game developers and IP holders, advertisement and related to the purchase of services for server custody. The credit terms of trade payables granted to the Group are usually 30 to 90 days.

Aging analysis of trade payables based on the recognition date of the trade payables at the respective reporting dates are as follows:

	As at June 30, 2025 RMB ‘000 (Unaudited)	As at December 31, 2024 RMB ‘000 (Audited)
Within 3 months	14,880	19,896
Over 3 months	<u>12,161</u>	<u>5,267</u>
	<u>27,041</u>	<u>25,163</u>

## **OTHER INFORMATION**

### **INTERIM DIVIDEND**

The Board has resolved not to recommend the payment of an interim dividend for the six months ended June 30, 2025 (for the six months ended June 30, 2024: nil).

### **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Reporting Period (including sale of treasury shares). As of the end of the Reporting Period, no treasury shares were held by the Company.

### **EVENTS AFTER THE REPORTING PERIOD**

There are no material subsequent events undertaken by the Group after June 30, 2025 and up to the date of this announcement.

### **USE OF NET PROCEEDS FROM LISTING**

The shares of the Company were listed on the Stock Exchange on December 16, 2021. The net proceeds received from the Global Offering (taking into account the partial exercise of the over-allotment option and after deducting the underwriting fees and commission and other estimated expenses payable by the Company in connection with the Global Offering) was approximately HK\$925.8 million.

As at the date of this announcement, there was no change in the intended use of net proceeds as previously disclosed in the section headed "Future Plans and Use of proceeds" in the Prospectus.



The table below sets out the planned usage of the net proceeds from the Global Offering and actual usage up to June 30, 2025:

Use of proceeds	Net proceeds from the Global Offering (after taking into account the partial exercise of the over- allotment option) (HK\$ million)	Amount utilized during the Reporting Period (HK\$ million)	Utilized amount up to June 30, 2025 (HK\$ million)	Unutilized amount up to June 30, 2025 (HK\$ million)	Expected timeline for fully utilizing the unutilized amount <sup>(1)</sup>
For expanding our game portfolio and investing in our game R&D capabilities and related technologies	324.0	10.1	318.9	5.1	By December 2025
For expanding our business in the overseas markets	231.4	–	231.4	–	N/A
For strengthening our game publication and operation capabilities in China’s mobile game market and the market recognition of our “QingCi” brand and our IPs	138.9	3.1	119.5	19.4	By December 2026
For pursuing strategic investments in and acquisitions of upstream and downstream companies along the mobile game industry chain	138.9	–	138.9	–	N/A
For working capital and general corporate purposes	<u>92.6</u>	<u>–</u>	<u>92.6</u>	<u>–</u>	N/A
<b>Total</b>	<b><u>925.8</u></b>	<b><u>13.2</u></b>	<b><u>901.2</u></b>	<b><u>24.6</u></b>	

*Note:*

- (1) The expected timeline for utilization of the unutilized proceeds disclosed above is based on the best estimation from the Board in accordance with latest information as at the date of this announcement.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The Company's corporate governance practices are based on the principles and code provisions as set out in the CG Code contained in Appendix C1 to the Listing Rules and the Company has adopted the CG Code as its own code of corporate governance.

The Board is of the view that the Company has complied with all code provisions as set out in part 2 of the CG Code for the Reporting Period.

The Board will periodically review and enhance its corporate governance practices to ensure that the Company continues to meet the requirements of the CG Code.

## **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding the transactions of securities of the Company by its Directors and the relevant employees who would likely possess inside information of the Company. Specific enquiry has been made to all Directors and all of them have confirmed that they have complied with the Model Code for the Reporting Period.

## **AUDIT COMMITTEE**

The Company has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code. The Audit Committee consists of three independent non-executive Directors, namely Mr. Yuan Yuan (Chairman), Professor Lam Sing Kwong Simon and Ms. Fang Weijin. Mr. Yuan Yuan possesses the appropriate professional qualification, and accounting and financial management expertise as required under Rule 3.10(2) of the Listing Rules.

The Audit Committee has reviewed the unaudited interim financial information of the Group for the six months ended June 30, 2025 together with the Group's auditor, BDO Limited, and has discussed with the management the accounting principles and practices adopted by the Group and its internal controls and financial reporting matters.

## **SCOPE OF WORK OF BDO LIMITED**

The figures in respect of the Group's unaudited interim financial information and the related notes thereto for the six months ended June 30, 2025 as set out in the announcement have been reviewed by the Group's auditor, BDO Limited.

# PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND THE INTERIM REPORT

This announcement is published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and on the website of the Company ([www.qcplay.com](http://www.qcplay.com)). The interim report for the six months ended June 30, 2025 will be published on the websites of the Stock Exchange and the Company in due course.

## DEFINITIONS

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

“ARPPU”	average revenue per month per paying user, which is calculated by (i) dividing our revenue from a game for a specified period by the total MPUs of such game for that period; or (ii) dividing our total game revenue for a specified period by the aggregate of the total MPUs of all of our games for that period, as applicable
“Audit Committee”	the audit committee of the Board
“Average MAUs”	calculated by dividing (i) the total MAUs of a game, or (ii) the aggregate of the total MAUs of all of our games, as applicable, for a specified period by the number of months of that period. Our calculations of average MAUs did not consider each game’s data before its official launch
“Average MPUs”	calculated by dividing (i) the MPUs of a game, or (ii) the aggregate of the total MPUs of all of our games, as applicable, for a specified period by the number of months of that period. Our calculations of average MPUs did not consider each game’s data before its official launch
“Board” or “Board of Directors”	the board of Directors of the Company
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“CMGE”	CMGE Technology Group Limited, an exempted company incorporated in the Cayman Islands with limited liability whose shares are listed on the Stock Exchange (stock code: 0302)

“Company”	Qingci Games Inc. (青瓷游戏有限公司), an exempted company incorporated in the Cayman Islands with limited liability on March 12, 2021 and whose Shares are listed on the Stock Exchange
“Director(s)”	the director(s) of our Company
“Global Offering”	has the meaning ascribed to it under the Prospectus
“Group”, “the Group”, “we”, “us”, or “our”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HMT”	Hong Kong, Macao and Taiwan
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“JPY”	Japanese yen, the lawful currency of Japan
“Listing”	the listing of Shares on the Main Board of the Stock Exchange on December 16, 2021
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macao”	the Macao Special Administrative Region of the PRC
“Main Board”	the Main Board of the Stock Exchange
“MAU(s)”	monthly active users, which represents the number of active users during a specified calendar month
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
“MPU(s)”	monthly paying users, which represents the number of paying players during a specified calendar month
“PRC”, “Mainland China” or “China”	the People’s Republic of China, excluding, for the purposes of this announcement, Hong Kong, Macao and Taiwan
“Prospectus”	the prospectus issued by the Company on December 6, 2021 in connection with the Hong Kong public offering of the Shares

“R&D”	research and development
“Reporting Period”	six months from January 1, 2025 to June 30, 2025
“RMB”	Renminbi, the lawful currency of the PRC
“Rogue-like RPG”	a type of RPG, which allows players to explore and unlock new content by levels in various adventures that embed randomness and surprises through treasure hunt, map discovery and other unpredictable events. Players acquire a sense of excitement during such adventures and a sense of self-achievement as their game avatars grow through their efforts
“RPG”	the role-playing games
“Shareholder(s)”	holder(s) of Share(s)
“Share(s)”	ordinary share(s) in the capital of the Company with nominal value of US\$0.00001 each
“SLG”	the simulation games
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Taiwan”	Taiwan Province of the PRC
“treasury shares”	has the meaning ascribed to it under the Listing Rules
“USD” or “US\$”	United States Dollars, the lawful currency of the United States of America

## APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my sincere gratitude to our Shareholders and business partners for their continued support, and to our employees for their dedication and hard work.

By Order of the Board  
**Qingci Games Inc.**  
**Liu Siming**  
*Executive Director*

Hong Kong, August 27, 2025

*As at the date of this announcement, the Board comprises Mr. Yang Xu, Mr. Huang Zhiqiang, Mr. Liu Siming and Mr. Zeng Xiangshuo as executive Directors, and Professor Lam Sing Kwong Simon, Mr. Yuan Yuan and Ms. Fang Weijin as independent non-executive Directors.*