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**Feiyu Technology International Company Ltd.**

**飛魚科技國際有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1022)**

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

The Board is pleased to announce the unaudited consolidated interim results (the “**Interim Results**”) of the Group for the six months ended 30 June 2025 together with comparative figures for the corresponding period in 2024.

**FINANCIAL PERFORMANCE HIGHLIGHTS**

	<b>Six Months Ended 30 June</b>		<b>Change %</b>
	<b>2025</b>	<b>2024</b>	
	<b>(RMB'000)</b>	<b>(RMB'000)</b>	
	<b>(unaudited)</b>	<b>(unaudited)</b>	
Revenue	<b>451,353</b>	101,752	343.6
Gross profit	<b>428,324</b>	85,587	400.5
Profit/(Loss) before tax	<b>57,706</b>	(1,635)	N/A
Profit/(Loss) for the period attributable to owners of the parent	<b>57,520</b>	(1,586)	N/A

**PROFIT/(LOSS) PER SHARE  
ATTRIBUTABLE TO ORDINARY  
EQUITY HOLDERS OF THE PARENT**

– Basic & Diluted

**RMB0.03**

**RMB0.00**

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW AND OUTLOOK

#### Overview

During the first half of 2025, Feiyu Technology International Company Ltd. (“**Feiyu**” or the “**Company**”) continued to execute its strategy as a leading online game developer and operator in China. The operating environment presented a mixed picture during the period. Weakening consumer confidence exerted pressure on players’ willingness to spend, while intensifying competition from live-streaming platforms and short-form video apps further fragmented users’ time and disposable income. On a positive note, the regulatory environment became more accommodative, with an increased number of new game approvals compared to the same period last year, providing fresh growth opportunities for the industry. Nevertheless, the competitive landscape remained highly intense, featured by rapidly evolving player preferences and a growing emphasis on high-quality, specialisation-themed games to capture niche audiences.

The HTML5 games sector, which has demonstrated robust growth over recent years, continued to gain momentum in the reporting period. This lightweight gaming format has attracted increasing investment from both developers and publishers seeking to leverage its instant-play accessibility across devices, capitalise on social sharing features that drive organic user acquisition, and develop innovative hybrid monetisation models combining in-app purchases and advertising.

The Company’s strategic move to invest in HTML5 games since 2023 has delivered exceptional results for the period. Revenue reached approximately RMB451.4 million for the six months ended 30 June 2025, representing an increase of 343.6% year-over-year. This remarkable growth was primarily driven by the performance of our HTML5 title *Yi Bu Liang Bu* (一步兩步), which was launched in August 2024 and entered its payback period in the first half of 2025. Profit attributable to owners of the parent was RMB57.5 million, marking a strong turnaround from a loss of RMB1.6 million for the same period of 2024.

While new game launches drove significant growth, the Company’s established titles, including *Shen Xian Dao* (神仙道) and *Carrot Fantasy* (保衛蘿蔔) series, continued to demonstrate strong resilience and player loyalty. These long-running franchises contributed stable revenue streams and maintained high engagement levels, underscoring our expertise in live operations.

Our established franchises are also a solid foundation for new growth opportunities through strategic sequels, adaptations, and platform extensions. By leveraging proven gameplay mechanics and beloved storylines, we efficiently scale successful intellectual properties (“IP”) while minimizing development risk. In March 2025, we launched *Shou Hua San Guo* (獸化三國) in HTML5 format, adapting our popular mobile title for lightweight play. The game’s immediate reception was particularly encouraging, quickly securing a Top 50 position on Weixin Mini Game’s best-selling list. Building on this momentum, July 2025 marked another achievement with the Steam debut of *Neon Abyss 2* (霓虹深淵2), the highly anticipated sequel to our classic roguelike action title. The game’s launch performance met our expectation, climbing to the No. 3 spot on Steam China’s best-selling list within its first day of release.

Additionally, we also made deliberate strides in global market diversification during the reporting period. In May 2025, we launched *Cat in Town* on Meta’s virtual reality (“VR”) platform. It is a sandbox action-adventure game blending light puzzle mechanics with immersive storytelling and serves as a beachhead for us in the emerging VR gaming sector. Complementing the product push, we established an overseas publishing hub to bring our China-proven titles to overseas players. Our overseas expansion is expected to diversify revenue streams against domestic market cyclicalities and extend the lifespan of mature IPs through new geographic monetization.

We continue to execute our multi-year strategy to extend the *Carrot Fantasy* (保衛蘿蔔) series’ IP into complementary consumer sectors, creating new revenue streams while enhancing brand visibility. A highlight in the period was our collaboration with well-known beverage chain *Yihetang* (益禾堂) for joint nationwide promotional campaigns for its new beverage products. The collaboration allows *Yihetang* (益禾堂) to sell beverage combos featuring *Carrot Fantasy* (保衛蘿蔔) characters across its 5,500 stores nationwide, including 85 *Carrot Fantasy* (保衛蘿蔔)-themed stores in 22 provinces.

In terms of IP merchandising, our IP development team successfully launched three waves of *Carrot Fantasy* (保衛蘿蔔) premium figurines during the period, with each limited-edition release sold out within 5 hours of launch. We also remained committed to lifestyle product expansion and developed 36 new daily-use items that further integrate our IP into fans’ everyday lives, spanning personal care series, home collection, and office essentials.

## Outlook for 2025

Building on the strong momentum, we will continue to invest in HTML5 games with deliberate focus on lightweight casual genres that demonstrate lasting engagement potential. We have a robust pipeline slated for release in the second half of 2025 and beyond. Among them, *Carrot Fantasy 4* (保衛蘿蔔4) represents a cornerstone of our platform expansion strategy. As one of China's most successful casual mobile games with over 700 million accumulated registrations, the *Carrot Fantasy* (保衛蘿蔔) series has strong brand recognition and engaging gameplay design. The transition to instant-play format will enable us to capitalise on traffic advantages offered by super-app ecosystems. Concurrently, we will further develop *Yi Bu Liang Bu* (一步兩步), extending its lifecycle and initiating an overseas rollout, beginning with Southeast Asian markets.

Additionally, we will continue to build out our overseas publishing hub, by recruiting professionals with proven expertise in user acquisition and platform relations, while simultaneously expanding local business network. Working closely with our teams in China, the overseas publishing hub will initially localise and deploy our top-performing HTML5 titles, positioning us to capitalise on overseas robust gaming market growth.

In the second half of 2025, we will further develop and leverage the enduring popularity of the *Carrot Fantasy* (保衛蘿蔔) IP, introducing a limited-run commemorative series of ABO figurines celebrating the franchise's 13th anniversary. This anniversary release will be accompanied by the much-anticipated return of our premium Golden Carrot Collector's Figurines Series. To complement these core offerings, we are preparing four exclusive convention editions that will debut at major expos. These event-specific variants are expected to be another popular series among collectors given their scarcity. This carefully structured merchandising strategy reflects our evolving approach to IP development, where merchandises are important tools to effectively sustain fan engagement between major game updates.

## Interim Dividend

The Board did not declare an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

## FINANCIAL REVIEW

### Operating Information

#### *The Company's Games*

During the first half of 2025, the Company remained committed to the long-term operation of its esteemed IP portfolio, which includes *Carrot Fantasy* (保衛蘿蔔) and *Shen Xian Dao* (神仙道), laying a strong foundation for potential sequels. In addition, we have been investing in the R&D and distribution of HTML5 games, aiming to capitalise on the surge of this sector. Our HTML5 game named *Yi Bu Liang Bu* (一步兩步), launched in the second half of 2024, entered its payback period during the first half of 2025. The Company maintained its commitment to attracting players through high-quality content updates while actively pursuing ongoing promotional efforts. These combined initiatives contributed to the robust returns of the title during the first half of 2025. The Company also launched a VR game named *Cat in Town* in May 2025 and an HTML5 game named *Shou Hua San Guo* (獸化三國) in March 2025. The latter received positive responses and rose to the Top 50 on the Weixin mini game best-selling list.

The table below presents a breakdown of revenue from game operations in absolute amounts and as a percentage of total revenue:

	For the six months ended 30 June			
	2025		2024	
	(RMB'000)	(% of Total Revenue)	(RMB'000)	(% of Total Revenue)
Game Operations				
Web games	5,158	1.1	5,414	5.3
Mobile games				
RPGs	47,125	10.4	37,755	37.1
Casual	39,684	8.8	38,458	37.8
PC games	525	0.1	960	1.0
HTML5 games	334,879	74.2	387	0.4
Console games	366	0.1	338	0.3
<b>Total</b>	<b>427,737</b>	<b>94.8</b>	<b>83,312</b>	<b>81.9</b>

Revenue contributed by game operations was approximately RMB427.7 million for the six months ended 30 June 2025, representing a significant increase of approximately 413.4%, compared with approximately RMB83.3 million for the corresponding period in 2024. The increase was primarily due to the contribution from *Yi Bu Liang Bu* (一步兩步), which was launched in the second half of 2024 and generated exceptional gross billings during the first half of 2025.

### *The Company's Players*

The Company assesses its operating performance using a set of key performance indicators, which include MAUs, MPUs and ARPPU. Fluctuations in operating data were primarily a result of changes in the number of players who played, downloaded (in the case of mobile games and PC games) and paid for virtual items and premium features in the games. Using these key performance indicators helps the Company monitor its ability to offer engaging online games, the popularity of its games, the monetisation potential of its player base and the degree of competition in the online game industry, and as a result, it allows the Company to adjust its business strategies and continuously improve its products.

As at 30 June 2025, the Company's (i) RPG mobile games and web games had approximately 236.3 million cumulative registered users, composed of approximately 173.5 million web game users and approximately 62.8 million mobile game users; (ii) casual games had approximately 747.3 million cumulative activated downloads; (iii) HTML5 games had approximately 71.5 million cumulative registered users; (iv) PC games had approximately 2.3 million cumulative copies sold; and (v) console games had approximately 618,000 cumulative copies sold. For the month of June 2025, the Company's (i) RPG mobile games and web games had approximately 0.2 million MAUs in total, composed of approximately 0.1 million mobile game MAUs and approximately 0.1 million web game MAUs respectively; and (ii) casual games had approximately 3.6 million MAUs; (iii) HTML5 games had approximately 7.7 million MAUs.

The following table sets forth certain operating statistics related to the Company's business for the periods indicated:

	<b>Six Months Ended 30 June</b>		
	<b>2025</b>	<b>2024</b>	<b>Change %</b>
Average MPUs			
Web games (RPGs) (000's)	<b>4</b>	5	(20.0)
Mobile games (RPGs) (000's)	<b>39</b>	60	(35.0)
Casual (000's)	<b>148</b>	155	(4.5)
HTML5 (000's)	<b>167</b>	–	N/A
ARPPU			
Web games (RPGs) (RMB)	<b>208.3</b>	179.3	16.2
Mobile games (RPGs) (RMB)	<b>200.9</b>	104.9	91.5
Casual (RMB)	<b>45.0</b>	41.3	9.1
HTML5 (RMB)	<b>334.3</b>	–	N/A

*Note:* Duplicated paying users of games published on the Company's own platforms were not eliminated during calculation.

MPUs for web games averaged approximately 4,000 for the six months ended 30 June 2025 as compared to approximately 5,000 for the six months ended 30 June 2024, primarily due to our web games reached the later stage of their expected lifecycles. Average MPUs for mobile RPG games decreased by 35.0% from approximately 60,000 for the six months ended 30 June 2024 to approximately 39,000 for the six months ended 30 June 2025, primarily due to *Shen Xian Dao 3* (神仙道3)'s higher number of MPUs in the early stage of its expected lifecycle in early 2024. Average MPUs for casual games decreased by 4.5% from approximately 155,000 for the six months ended 30 June 2024 to approximately 148,000 for the six months ended 30 June 2025, primarily attributable to our strategy of maintaining long-term operation of the *Carrot Fantasy 4* (保衛蘿蔔4) instead of instant monetisation. Average MPUs for HTML5 games was approximately 167,000 for the six months ended 30 June 2025 (first half of 2024: nil) primarily driven by the newly launched *Yi Bu Liang Bu* (一步兩步) in the second half of 2024 and other HTML5 games launched during the second half of 2024 and the first half of 2025.

ARPPU for web games increased by 16.2% from approximately RMB179.3 for the six months ended 30 June 2024 to approximately RMB208.3 for the six months ended 30 June 2025, primarily driven by higher ARPPU for the web version of *Shen Xian Dao* (神仙道) and *Da Hua Shen Xian* (大話神仙), which have entered the mature stage of their expected lifecycle when loyal players are more willing to make in-game purchases. ARPPU for RPG mobile games increased by 91.5% from approximately RMB104.9 for the six months ended 30 June 2024 to approximately RMB200.9 for the six months ended 30 June 2025, primarily due to the launch of the mobile game version of *Yi Bu Liang Bu* (一步兩步). ARPPU for casual games increased by 9.1% from approximately RMB41.3 for the six months ended 30 June 2024 to approximately RMB45.0 for the six months ended 30 June 2025, primarily due to the increase in ARPPU for the *Carrot Fantasy* (保衛蘿蔔) game series, which was updated frequently with new features, resulting in users being more willing to make in-game purchases. ARPPU for HTML5 games was approximately RMB334.3 for the six months ended 30 June 2025 (first half of 2024: nil) as the Company launched *Yi Bu Liang Bu* (一步兩步) in the second half of 2024 and other HTML5 games during the second half of 2024 and the first half of 2025.

As part of its business strategy, the Company continued to launch various in-game promotions and activities, release regular updates for premium games, and offer high-quality customer service, in order to enhance gaming experience and maintain user interest. The Company believes that these initiatives are vital for retaining active players and expanding the active player base of the Group.



## First Half of 2025 compared with First Half of 2024

The following table sets forth the Group's income statement for the six months ended 30 June 2025 compared with the six months ended 30 June 2024.

	Six Months Ended 30 June		Change %
	2025 (RMB'000)	2024 (RMB'000)	
<b>Revenue</b>	<b>451,353</b>	101,752	343.6
Cost of sales	(23,029)	(16,165)	42.5
<b>Gross profit</b>	<b>428,324</b>	85,587	400.5
Other income and gains	7,851	8,597	(8.7)
Selling and distribution expenses	(314,420)	(36,213)	768.3
Administrative expenses	(21,913)	(19,711)	11.2
Research and development costs	(32,435)	(27,152)	19.5
Finance costs	(1,790)	(2,153)	(16.9)
Other expenses	(7,925)	(13,212)	(40.0)
Share of profits and losses of associates	14	2,622	(99.5)
<b>PROFIT/(LOSS) BEFORE TAX</b>	<b>57,706</b>	(1,635)	N/A
Income tax expenses	(1,164)	(329)	253.8
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>56,542</b>	(1,964)	N/A
Attributable to:			
Owners of the parent	57,520	(1,586)	N/A
Non-controlling interests	(978)	(378)	158.7



## Revenue

The following table sets forth a breakdown of the Group's revenue for the six months ended 30 June 2025 and 2024:

	Six Months Ended 30 June			
	2025		2024	
	(RMB'000)	(% of Total Revenue)	(RMB'000)	(% of Total Revenue)
Game operations	427,737	94.8	83,312	81.9
Online game distribution	14	0.0	192	0.2
Licensing and IP-related income	4,917	1.1	8,594	8.4
Advertising revenue	18,638	4.1	9,646	9.5
Technical service income	47	0.0	8	0.0
Total	451,353	100.0	101,752	100.0

Total revenue increased by 343.6% to approximately RMB451.4 million for six months ended 30 June 2025 from approximately RMB101.8 million for the six months ended 30 June 2024.

Revenue from game operations was approximately RMB427.7 million for the six months ended 30 June 2025, representing a significant increase of approximately 413.4%, compared with approximately RMB83.3 million for the six months ended 30 June 2024. The increase was primarily due to the launch of *Yi Bu Liang Bu* (一步兩步) on 1 August 2024, which had been well received by users and entered its payback period during the first half of 2025. The increase was also due to the launch of other HTML5 games such as *Piggy Survivor* (野人快跑) in December 2024 and *Shou Hua San Guo* (獸化三國) in March 2025.

Revenue from online game distribution decreased by approximately 92.7% to approximately RMB14,000 for the six months ended 30 June 2025 from approximately RMB0.2 million for the six months ended 30 June 2024. The decrease was mainly due to the decline in revenue of *Mushroom War 2* (蘑菇戰爭2) which entered the later stage of its expected lifecycle.

Licensing and IP-related income decreased by approximately 42.8% from approximately RMB8.6 million for the six months ended 30 June 2024 to approximately RMB4.9 million for the six months ended 30 June 2025. The decrease was primarily attributable to the recognition of a one-off licensing fee of approximately RMB4.2 million for the cloud gaming version of *Carrot Fantasy 4* (保衛蘿蔔4) for the six months ended 30 June 2024, while there was no such one-off licensing fee recognised for the six months ended 30 June 2025.

Advertising revenue increased by approximately 93.2% from approximately RMB9.6 million for the six months ended 30 June 2024 to approximately RMB18.6 million for the six months ended 30 June 2025. The increase was primarily due to the launch of *Yi Bu Liang Bu* (一步兩步) which contributed advertising revenue of approximately RMB8.5 million for the first half of 2025. The increase was also driven by the advertising revenue generated by other HTML5 games launched during the second half of 2024 and the first half of 2025.

## **Cost of sales**

Cost of sales increased by 42.5% to approximately RMB23.0 million for the six months ended 30 June 2025 from approximately RMB16.2 million for the six months ended 30 June 2024. The increase was mainly attributable to the increased staff costs from approximately RMB11.5 million for the six months ended 30 June 2024 to approximately RMB16.0 million for the six months ended 30 June 2025 as a result of the Company's increased staffing for the distribution of HTML5 games. The increase in cost of sales was also due to the increase in server costs from approximately RMB2.1 million for the six months ended 30 June 2024 to approximately RMB4.4 million for the six months ended 30 June 2025, primarily due to the operation of *Yi Bu Liang Bu* (一步兩步) which was launched in August 2024.

## **Gross profit and gross profit margin**

Gross profit increased by 400.5% to approximately RMB428.3 million for the six months ended 30 June 2025 from approximately RM85.6 million for the six months ended 30 June 2024. Gross profit margin for the six months ended 30 June 2025 was 94.9%, increasing 10.8 percentage points from 84.1% for the corresponding period in 2024.

## **Other income and gains**

Other income and gains decreased by 8.7% from approximately RMB8.6 million for the six months ended 30 June 2024, to approximately RMB7.9 million for the six months ended 30 June 2025. The decrease was primarily attributable to the decrease in government grant from approximately RMB1.4 million for the six months ended 30 June 2024 to approximately 0.6 million for the six months ended 30 June 2025.

## **Selling and distribution expenses**

Selling and distribution expenses increased by 768.3% from approximately RM36.2 million for the six months ended 30 June 2024, to approximately RMB314.4 million for the six months ended 30 June 2025. The increase was mainly attributable to the increase in distribution expenses from approximately RMB22.4 million for the six months ended 30 June 2024 to approximately RMB232.2 million for the six months ended 30 June 2025. The distribution expenses were primarily associated with the operation of *Yi Bu Liang Bu* (一步兩步) which was launched on 1 August 2024 and other HTML5 games launched or under testing phase. The increase in selling and distribution expenses was also due to the increase in channel fees from approximately RMB11.8 million for the six months ended 30 June 2024 to approximately RMB80.2 million for the six months ended 30 June 2025. Such increase was mainly due to the launch of *Yi Bu Liang Bu* (一步兩步) and other HTML5 games on Weixin Mini Program and Douyin Mini Program, for which we recognised revenue on a gross basis and channel technical service fee in selling and distribution expenses.

## **Administrative expenses**

Administrative expenses increased by approximately 11.2% from approximately RMB19.7 million for the six months ended 30 June 2024 to approximately RMB21.9 million for the six months ended 30 June 2025. The increase was primarily attributable to the increase in staff costs from approximately RMB8.4 million for the six months ended 30 June 2024 to approximately RMB9.9 million for the six months ended 30 June 2025 as a result of the increase in administrative personnel.

## **R&D costs**

R&D costs increased by approximately 19.5% from approximately RMB27.2 million for the six months ended 30 June 2024 to approximately RMB32.4 million for the six months ended 30 June 2025. The increase was primarily attributable to the increase in staff costs from approximately RMB26.1 million for the six months ended 30 June 2024 to approximately RMB31.3 million for the six months ended 30 June 2025 as a result of the Company's increased investment in personnels for the development of HTML5 games.

## **Finance costs**

Finance costs decreased by approximately 16.9% from approximately RMB2.2 million for the six months ended 30 June 2024 to approximately RMB1.8 million for the six months ended 30 June 2025. The decrease was primarily due to the decrease in interest expenses resulting from partial repayment of the bank loans in conjunction with the operation of the Company's R&D centre and headquarters building in Xiamen.

## **Other expenses**

Other expenses were approximately RMB7.9 million for the six months ended 30 June 2025, compared with approximately RMB13.2 million for the six months ended 30 June 2024. The decrease was primarily due to the improved performance of the Group's investment in an unlisted limited partnership, for which there was a recognition of investment loss for the six months ended 30 June 2024, while there was no such investment loss recognised for the six months ended 30 June 2025. The change was primarily due to the fair value changes of several investments of this unlisted limited partnership which primarily invested in the sectors of intelligent system, auto system and information technology.

## **Income tax expense**

Income tax expenses increased by approximately 253.8% from approximately RMB0.3 million for the six months ended 30 June 2024, to approximately RMB1.2 million for the six months ended 30 June 2025. The increase was primarily attributable to the utilisation of accumulated deductible losses of one of the subsidiaries. The increase was also attributable to the change in deferred tax expenses resulting from the fair value changes and tax base changes of investment properties.

## Profit/Loss for the period

As a result of the above, profit for the six months ended 30 June 2025 was approximately RMB56.5 million, representing a strong turnaround compared to a loss for the six months ended 30 June 2024 of approximately RMB2.0 million. Profit attributable to owners of the parent for the six months ended 30 June 2025 was approximately RMB57.5 million, as compared to a loss attributable to owners of the parent for the six months ended 30 June 2024 of approximately RMB1.6 million.

## Financial Position

As at 30 June 2025, total equity of the Group was approximately RMB537.8 million, representing an increase of approximately 11.4% from approximately RMB482.6 million as at 31 December 2024. The increase was primarily attributable to the profit of approximately RMB56.5 million recorded for the six months ended 30 June 2025.

As at 30 June 2025, the Group had net current assets of approximately RMB102.5 million, representing an increase of approximately 44.4% from approximately RMB71.0 million as at 31 December 2024. The increase was mainly due to the higher net operating cash inflows driven by *Yi Bu Liang Bu* (一步兩步).

## Liquidity and Financial Resources

	30 June 2025 (RMB'000)	31 December 2024 (RMB'000)	Change %
Cash at bank and on hand	79,859	100,687	(20.7)
<b>Total</b>	<b>79,859</b>	<b>100,687</b>	<b>(20.7)</b>

Total cash and cash equivalents were approximately RMB79.9 million as at 30 June 2025, compared with approximately RMB100.7 million as at 31 December 2024. The decrease was primarily due to the purchase of the office units and car parking spaces located at Chaoyang District, Beijing with a consideration of RMB51.4 million in June 2025. The decrease was partially offset by the operating cash inflows generated by *Yi Bu Liang Bu* (一步兩步).

As at 30 June 2025, approximately RMB13.0 million of financial resources (31 December 2024: RMB12.4 million) were held in deposits denominated in non-RMB currencies. The Company currently does not hedge transactions undertaken in foreign currencies, rather it manages foreign exchange exposure by limiting such exposure and constantly monitoring foreign currency levels. The Group adopts a prudent cash and financial management policy. In order to better control costs and minimise the cost of funds, the Group's treasury activities were centralised and cash was generally deposited at banks, denominated mostly in Renminbi, Hong Kong dollars and United States dollars.

As at 30 June 2025, the Group had aggregate bank loans of approximately RMB86.5 million (31 December 2024: RMB89.5 million), of which approximately RMB6.0 million is payable within one year, approximately RMB26.3 million is payable between one and five years and approximately RMB54.2 million is payable after five years. The Group did not have lease liability as at 30 June 2025 (31 December 2024: Nil).

As at 30 June 2025, the Group's bank loans of approximately RMB86.5 million were used by the Company for the operation of the Company's R&D centre. The interest rate was approximately 3.5% per annum and the loans were secured by the land use rights, investment properties and building on the Land.

**Significant Debt Investments at Fair Value Through Other Comprehensive Income, Equity Investments Designated at Fair Value Through Other Comprehensive Income, and Financial Assets at Fair Value Through Profit or Loss**

As at 30 June 2025, the Company had debt investments at fair value through other comprehensive income, equity investments designated at fair value through other comprehensive income and financial assets at fair value through profit or loss of approximately RMB119.3 million (31 December 2024: RMB125.8 million), which represented the Company's investment in straight bonds and a bond fund issued by banks or reputable companies with coupon rates ranging from 2.25% to 4.5% per annum, and the interest held by the Group in six unlisted companies, one company listed on the National Equities Exchange And Quotations of the PRC and one company listed on Nasdaq Global Select Market.

The principal of the debt investments at fair value through other comprehensive income, equity investments designated at fair value through other comprehensive income, and financial assets at fair value through profit or loss as at 30 June 2025 were not protected.

According to the Company's current internal investment management policies, no less than 50% of total investments can be invested in risk-free or principal protected investments, while for the remainder, up to 50% of the total investments is invested in low-risk products. The Company has a diversified investment portfolio to mitigate risks. In addition, the abovementioned investments were made in line with the Company's effective capital and investment management policies and strategies.

**Performance and Future Prospect of Significant Debt Investments at Fair Value Through Other Comprehensive Income, Equity Investments Designated at Fair Value Through Other Comprehensive Income, and Financial Assets at Fair Value Through Profit or Loss**

Details of the Group's debt investments at fair value through other comprehensive income, equity investments designated at fair value through other comprehensive income, and financial assets at fair value through profit or loss as at 30 June 2025 are presented as follows:

*(A) Straight Bonds*

Name of the straight bonds	Notes	Interest income recognised in consolidated statement of profit or loss for the six months ended 30 June 2025 (RMB'000)	Gain/(loss) on fair value changes recognised in consolidated statement of comprehensive income for the six months ended 30 June 2025 (RMB'000)	Fair value as at 30 June 2025 (RMB'000)	Percentage of total FVOCI and FVPL Investments as at 30 June 2025	Percentage of total assets of the Group as at 30 June 2025
CHINLP Medium Term Note Programme ("CHINLP")	2	283	897	21,963	18.4%	3.1%
POLHON Guaranteed Notes ("POLHON")	3	402	795	19,735	16.5%	2.7%
NWDEVL Medium Term Note Programme ("NWDEVL")	4	566	(3,015)	12,057	10.1%	1.7%

*Notes:*

1. The Group's investment in straight bonds has been accounted for as debt investments at fair value through other comprehensive income. The fair value of the straight bonds was estimated using a discounted cash flow valuation model based on the assumptions that were supported by observable market inputs. Please refer to note 12 to the financial statements for details of the investment in straight bonds.
2. On 15 July 2021, the Group invested in a bond issued by CLP Power Hong Kong Financing Limited ("CLP Financing") and guaranteed by CLP Power Hong Kong Limited ("CLP HK") with a nominal amount of US\$3,500,000 at a consideration of US\$3,542,000 (equivalent to approximately RMB23.0 million). The bond has a coupon interest rate of 2.25% per annum with a maturity period of 10 years.



CLP Financing, the issuer, incorporated in the British Virgin Islands, is a wholly-owned subsidiary of the guarantor CLP HK. CLP Financing was established to raise financing for CLP HK. The net proceeds from the issue of CHINLP will be on-lent by CLP Financing to CLP HK to be used for general corporate purposes. CLP HK, established in 1901 in Hong Kong, is one of the only two electricity providers in Hong Kong, which supplies approximately 80% of the electricity consumed in Hong Kong. CLP Holdings Limited, the parent company of CLP HK was listed on the Main Board of the Stock Exchange in 1998 with the stock code of 00002. CLP Holdings Limited, together with its subsidiaries, namely the CLP Group, is an investor and operator in the Asia-Pacific energy sector. In Hong Kong, through CLP HK, it operates a vertically-integrated electricity supply business providing a highly-reliable supply of electricity. Outside Hong Kong, CLP Group holds investments in the energy sector in Mainland China, India, Southeast Asia, Taiwan, and Australia. Its diversified portfolio of power generation assets include coal, gas, nuclear and renewables (wind, hydro, solar).

According to the interim report for the six months ended 30 June 2025 of CLP Holdings Limited, total revenue decreased by 2.8% to HK\$4,285 million and operating earnings before fair value movements decreased 8.0% to HK\$5,227 million for the first half of 2025. This decline was mainly due to the unfavourable performance of EnergyAustralia's Customer business, along with the reduced contributions from nuclear and renewable energy assets on the Chinese Mainland. These negative factors were partially offset by the strong performance in Hong Kong. Total earnings for the first six months of this year was HK\$5,624 million after taking into account the positive one-off items affecting comparability, mainly from the realisation of Wooreen Energy Storage System project post introduction of a partner in Australia.

Amid by external challenges such as shifting market dynamics, volatile global energy demand and heightened geopolitical tensions during the first half of 2025, CLP group continued to provide a reliable energy supply and invest in Hong Kong market, and it also made further progress in developing its portfolio of renewable energy and flexible generation capacity assets in other markets. As a result, the Group maintains an optimistic outlook on the future prospect of the bond CHINLP.

3. During the second half of July 2021, the Group successively invested in a bond issued by Ease Trade Global Limited ("**Ease Trade**") and guaranteed by Poly Property Group Co. Limited ("**Poly Property**") with an accumulated nominal amount of US\$2,800,000 at an accumulated consideration of US\$2,883,000 (equivalent to approximately RMB18.6 million). The bond has a coupon interest rate of 4.0% per annum with a maturity period of 5 years.

Ease Trade, the issuer, is the direct wholly owned subsidiary of the guarantor Poly Property, which is a limited liability company incorporated in Hong Kong and is listed on the Main Board of the Stock Exchange with the stock code of 00119. Poly Property, together with its subsidiaries, namely the Poly Group, is a prominent property developer in the PRC. It is principally engaged in the business of property development, investment and management. Its projects typically comprise various types of developments, including apartments, villas, offices and commercial properties. As at 31 December 2024, China Poly Group Corporation Limited, being one of the large-scale state-owned enterprises under the supervision of the State-owned Assets Supervision and Administration Commission of the State Council of the PRC (SASAC), is deemed to be interested in 48.09% of the issued share capital of Poly Property under the Securities and Futures Ordinance (Cap. 571) of the law of Hong Kong.

According to the Profit Warning for the six months ended 30 June 2025 issued by of Poly Property, it is anticipated that the profit attributable to owners of Poly Property will decline by 40%-50% period-on-period. It was stated in the profit warning that the decrease was mainly due to high land appreciation tax on certain projects recognised during the period, an increase in selling expenses driven by intense market competition, and a decline in the proportion of profit attributable to the owners of Poly Property.



Despite the challenges faced during the year, according to the annual report for the year ended 31 December 2024, Poly Property achieved contracted sales of RMB54.2 billion for the year 2024, representing a year-on-year growth of 1%, and was one of only two listed companies which recorded growth among the top 20 real estate companies on the CRIC List. It ranked 17th in the industry in terms of total sales amount, a jump of 10 places from the end of 2023. The sales amount in the Yangtze River Delta and the Greater Bay Area accounted for 73%, a year-on-year increase of 6 percentage points, reflecting the further concentration of expansion resources in high-tier cities in recent years. During the year 2024, the sales collection amounted to RMB54.8 billion, representing a collection rate of 101%. Building on this solid performance, the Group remains optimistic about the outlook for the bond POLHON.

4. On 15 July 2021, the Group invested in a bond issued by NWD (MTN) Limited (“**NWD**”) and guaranteed by New World Development Company Limited (“**New World**”) with a nominal amount of US\$3,500,000 at a consideration of US\$3,783,000 (equivalent to approximately RMB24.5 million). The bond has a coupon interest rate of 4.5% per annum with a maturity period of 10 years.

The issuer NWD is one of wholly owned subsidiaries of New World, the guarantor. New World is the holding company of one of the largest Hong Kong-based property developers. Established in 1970, New World was listed on the Main Board of the Stock Exchange in 1972 (Stock Code: 00017) and its shares are currently a constituent stock of the Hang Seng Index. New World, together with its subsidiaries, namely New World Group is one of the major property developers in Hong Kong and is engaged in the development of residential, retail, office and hotel properties. NWS Holdings Limited, one of New World’s subsidiary, engaged in roads construction and aviation infrastructure, is also listed on the Main Board of the Stock Exchange (Stock Code: 00659). New World China Land Limited, wholly-owned by New World, is one of the largest foreign property developers and investors in the PRC.

According to the interim report for the six months ended 31 December 2024 of New World Group, recorded revenue from continuing operations was approximately HK\$16,789 million for the six months ended 31 December 2024, a year-on-year decrease of 1.6% compared with HK\$17,066 million in 2023. Loss from continuing operations for the six months ended 31 December 2024 amounted to HK\$5,701 million, compared with net profit from continuing operations of HK\$1,543 million for the corresponding period in 2023. The loss mainly arose from drop in market value of projects in both development and investment properties, due to quick changes in market macro factors during the second half of 2024, which include, among others, a slower-than-expected pace of interest rate reduction and consumer caution amidst uncertainties arising from the policy shifts of the new administration in the US, despite favourable housing policies launched in both Hong Kong and Mainland China. Additionally, the absence of one-off gain on redemption of fixed rate bonds and transfer to investment properties recorded in the six months ended 31 December 2023, totaling HK\$1,951 million, also explains the loss in current period.

With China rolling out favourable policies to speed up development in the Greater Bay Area and the Yangtze River Delta region, New World Group is strategically positioned to capture substantial market opportunities in Hong Kong by cooperating with quality partners to capitalise on complementary strengths for mutual success. As projects in Hong Kong, Guangzhou, Shanghai, Shenzhen, Ningbo and Hangzhou progressively reach completion, commence sales, and enter operational phases, the proportion of New World Group’s recurring rental income will increase, driving steady growth in its performance.

According to the voluntary announcement dated 30 June 2025, New World Group successfully (a) refinanced certain of its existing offshore unsecured financial indebtedness, including bank loans, through a new refinancing term loan facility (the “**New Bank Facility**”) entered into by New World, the relevant New World Group entities and the relevant bank creditors; and (b) aligned its other existing offshore unsecured bank loans with the terms of the New Bank Facility (the “**Aligned Bank Facilities**”). The New Bank Facility and Aligned Bank Facilities together cover approximately HK\$88.2 billion of New World Group’s existing unsecured offshore financial indebtedness. The New Bank Facility and the Aligned Bank Facilities have terms, including financial covenants and security interests granted over certain of New World Group’s assets, which allow New World Group more flexibility to better manage its expected ongoing business and financial needs.

The Group is committed to closely and consistently monitoring the performance of the bond NWDEVL.

(B) *Unlisted Equity Investments*

Company Name	Notes	Percentage of Shareholdings as at 30 June 2025	Gain/(loss) on fair value changes recognised in consolidated statement of comprehensive income for the six months ended 30 June 2025 (RMB'000)	Fair value as at 30 June 2025 (RMB'000)	Percentage of total FVOCI and FVPL investments as at 30 June 2025	Percentage of the total assets of the Group as at 30 June 2025
Xiamen eName Technology Co., Ltd. ("eName")	2	2%	(301)	26,334	22.1%	3.7%
Others	3	–	(2,907)	8,001	6.7%	1.1%

*Notes:*

1. The Group's unlisted equity investments have been accounted for as equity investments designated at fair value through other comprehensive income. The fair value of the unlisted equity investments was assessed by management or employed by other available methods.
2. eName is a company listed on China New Third Board (Stock Code: 838413) principally engaged in domain related businesses and providing domain registration, transfer and transaction services for internet customers. It is a well-known domain service provider in China.

Pursuant to eName's interim report for the six months ended 30 June 2025, eName recorded revenue of approximately RMB149.8 million, reflecting a 16.76% increase compared with the corresponding period in 2024. Net profit attributable to shareholders was approximately RMB11.5 million, reflecting a 7.09% increase from RMB10.8 million as of 30 June 2024. The increase was primarily driven by more active trading activities compared with the corresponding period.

eName has established a leading position in the domain transaction and service industry through mature technical support, convenient transaction procedure and humanized service management. eName adhered to expand its domain name business and it has actively increased promotional efforts and successfully maintained its transactions despite the gloomy industry environment. The Group is therefore optimistic about the domain service market in China and the performance of eName in the future.

3. Others comprised four unlisted limited liability companies and none of these investments accounted for more than 0.6% of the total assets of the Group as at 30 June 2025.

(C) *Unlisted Debt Investments*

Company Name	Notes	Percentage of Shareholdings as at 30 June 2025	Gain/(loss) on fair value changes recognised in consolidated statement of profit or loss for the six months ended 30 June 2025 (RMB'000)	Fair value as at 30 June 2025 (RMB'000)	Percentage of total FVOCI and FVPL investments as at 30 June 2025	Percentage of the total assets of the Group as at 30 June 2025
Future Capital Discovery Fund II, L.P. ("Future Capital")	2	1.8797%	331	27,542	23.1%	3.8%
Others	3	–	(136)	1,617	1.4%	0.2%

*Notes:*

1. The Group's unlisted debt investments have been accounted for as financial assets at fair value through profit or loss. The fair value of the unlisted debt investments was assessed by management or employed by other available methods.
2. Future Capital is an unlisted limited partnership principally engaged in investment in companies which are primarily in the sectors of intelligent system, auto system and information technology to achieve earnings in the form of medium to long term capital appreciation. The aggregate investment cost of the investment in Future Capital was USD1,452,197.91. As at 30 June 2025, the Company held approximately 1.8797% partnership interests in Future Capital.

Pursuant to Future Capital's financial statements for the six months ended 30 June 2025, Future Capital recorded income of approximately US\$41,453 and net increase in partners' capital resulting from operations of approximately US\$2.1 million. The increase was primarily due the realization of returns from several investments.

The Group believes that Future Capital is well-capitalized, led by an experienced team, and operates in sectors with promising growth potential, ensuring a positive outlook for its future business prospects.

3. Others comprised one unlisted debt investments and none of these investments accounted for more than 0.2% of the total assets of the Group as at 30 June 2025.

(D) *Listed Equity Investment*

Company Name	Notes	Percentage of Shareholdings as at 30 June 2025	Gain on fair value changes recognised in consolidated statement of profit or loss for the six months ended 30 June 2025 (RMB'000)	Fair value as at 30 June 2025 (RMB'000)	Percentage of total FVOCI and FVPL investments as at 30 June 2025	Percentage of the total assets of the Group as at 30 June 2025
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Li Auto Inc. ("Li Auto")	2	–	236	2,043	1.7%	0.3%
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*Notes:*

1. The Group's listed equity investment has been accounted for as financial assets at fair value through profit or loss. The fair value of the listed equity investment was determined based on the publicly available market price.
2. Li Auto is a company listed on the Nasdaq Global Select Market (Stock Code: LI) and the Hong Kong Stock Exchange (Stock Code: 02015). Li Auto is a leader in China's new energy vehicle market, which designs, develops, manufactures, and sells premium smart electric vehicles. On 2 October 2024, Future Capital distributed a total of 10,526 Li Auto American depositary shares ("LIADSs") to the Company. As at 30 June 2025, the Company held 10,526 LIADSs.

Pursuant to Li Auto's unaudited financial results for the quarter ended March 31, 2025, Li Auto recorded total revenue of RMB25.9 billion in the first quarter of 2025, representing an increase of 1.1% from RMB25.6 billion in the first quarter of 2024. Li Auto also recorded net income of RMB646.6 million in the first quarter of 2025, representing an increase of 9.4% from RMB591.1 million in the first quarter of 2024. Li Auto also recorded Diluted net earnings per ADS attributable to ordinary shareholders of RMB0.62 in the first quarter of 2025, compared with RMB0.56 in the first quarter of 2024.

Li Auto delivered solid results in the first quarter, achieving a 15.5% year-over-year increase in vehicle deliveries, despite the seasonally slow period for auto sales. Furthermore, the recent refresh of its product lineup has driven a robust influx of orders for the new Li L series, further highlighting its competitive product strength.

The Group believes that Li Auto remains committed to harnessing the power of technology to drive innovation, reinforcing its position as an industry leader and its future business prospect is positive.

There was no impairment made for any investments in debt instruments for the six months ended 30 June 2025. Investments in equity instruments did not involve any separate impairment accounting under IFRS 9 – Financial Instruments.

## **Other significant investments held, significant acquisitions and disposal of subsidiaries, associates and joint ventures and future plans for material investments or capital assets**

Save as disclosed in this announcement, there were no other significant investments held, nor were there material acquisitions or disposals of subsidiaries, associates and joint ventures during the six months ended 30 June 2025. Except for those disclosed in this announcement, there was no plan authorised by the Board for other significant investments or acquisitions of major capital assets or other businesses in the first half of 2025. However, the Group will continue to identify new opportunities for business development.

## **Gearing ratio**

The Group's gearing ratio, which is calculated based on total liabilities divided by total assets, was 25.1% as at 30 June 2025 and 29.0% as at 31 December 2024, respectively.

## **Capital expenditures**

The following table sets forth the Group's capital expenditures for the six months ended 30 June 2025 and 2024:

	<b>Six Months Ended 30 June</b>		<b>Change %</b>
	<b>2025</b> <b>(RMB'000)</b>	<b>2024</b> <b>(RMB'000)</b>	
Property, plant and equipment	<u>1,819</u>	<u>311</u>	484.9%
<b>Total</b>	<u><b>1,819</b></u>	<u><b>311</b></u>	484.9%

Capital expenditures consisted of property, plant and equipment which include but are not limited to office equipment, company vehicles for employees' use and leasehold improvements. The total capital expenditures for the six months ended 30 June 2025 were approximately RMB1.8 million, compared with RMB0.3 million for the six months ended 30 June 2024, representing an increase of approximately 484.9%. The increase was mainly attributable to the increase in purchase of office equipment and company vehicles.

## **Pledge of Assets**

As at 30 June 2025, bank loans of approximately RMB86.5 million (under a loan facility of up to RMB100.0 million) were used for the operation of the Company's R&D centre. The bank loans were secured by the land use rights, investment properties and building on the Land with a total carrying value of approximately RMB234.9 million.

## Contingent liabilities and guarantees

As at 30 June 2025, the Company did not have any unrecorded significant contingent liabilities, guarantees or any litigation with claims made against it.

## EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2025, the Company had 450 full-time employees, the majority of whom were based in Xiamen, Fujian Province of the PRC. The following table sets forth the number of employees categorised by function as at 30 June 2025:

	<b>Number of Employees</b>	<b>% of Total</b>
Development	259	57.5
Operations	111	24.7
Administration	63	14.0
Sales and marketing	17	3.8
<b>Total</b>	<b>450</b>	<b>100.0</b>

The remuneration of the Group's employees is determined based on their performance, experience, competence and market comparables. Their remuneration package includes salaries, bonuses related to the Group's performance, allowances, equity settled share-based payments and state-managed retirement benefit schemes for employees in the PRC. The Company also provides customised training programs to its staff to enhance their technical and product knowledge and support their career progression.

The remuneration of Directors and members of senior management is determined on the basis of each individual's responsibilities, qualifications, position, experience, performance, seniority and time devoted to the Group's business. They receive compensation in the form of salaries, bonuses, share options, RSUs, and other allowances and benefits-in-kind, including the Company's contribution to their pension scheme on their behalf. The remuneration policy of the Directors and the senior management is reviewed by the Remuneration Committee and approved by the Board.

In addition, the Group has currently adopted the 2024 Share Option Scheme and 2024 Restricted Share Unit Scheme as long-term incentive schemes.

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
<b>REVENUE</b>	4	<b>451,353</b>	101,752
Cost of sales		<u>(23,029)</u>	<u>(16,165)</u>
<b>Gross profit</b>		<b>428,324</b>	85,587
Other income and gains	4	<b>7,851</b>	8,597
Selling and distribution expenses		<b>(314,420)</b>	(36,213)
Administrative expenses		<b>(21,913)</b>	(19,711)
Research and development costs		<b>(32,435)</b>	(27,152)
Finance costs		<b>(1,790)</b>	(2,153)
Other expenses		<b>(7,925)</b>	(13,212)
Share of profits and losses of associates		<u><b>14</b></u>	<u>2,622</u>
<b>PROFIT/(LOSS) BEFORE TAX</b>	5	<b>57,706</b>	(1,635)
Income tax expense	6	<u><b>(1,164)</b></u>	<u>(329)</u>
<b>PROFIT/(LOSS) FOR THE PERIOD</b>		<u><b>56,542</b></u>	<u>(1,964)</u>
Attributable to:			
Owners of the parent		<b>57,520</b>	(1,586)
Non-controlling interests		<u><b>(978)</b></u>	<u>(378)</u>
		<u><b>56,542</b></u>	<u>(1,964)</u>
<b>PROFIT/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>	8		
Basic			
For profit/(loss) for the period		<u><b>RMB0.03</b></u>	<u>RMB0.00</u>
Diluted			
For profit/(loss) for the period		<u><b>RMB0.03</b></u>	<u>RMB0.00</u>



# INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b><u>56,542</u></b>	<b><u>(1,964)</u></b>
<b>OTHER COMPREHENSIVE INCOME</b>		
<b>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</b>		
Debt investments at fair value through other comprehensive income:		
Changes in fair value	(1,323)	(775)
Exchange differences:		
Exchange differences on translation of foreign operations	<u>(505)</u>	<u>821</u>
<b>Net other comprehensive income that may be reclassified to profit or loss in subsequent periods</b>	<b><u>(1,828)</u></b>	<b><u>46</u></b>
<b>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:</b>		
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	<u>(3,208)</u>	<u>5,538</u>
<b>Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods</b>	<b><u>(3,208)</u></b>	<b><u>5,538</u></b>
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>	<b><u>(5,036)</u></b>	<b><u>5,584</u></b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b><u>51,506</u></b>	<b><u>3,620</u></b>
Attributable to:		
Owners of the parent	52,487	3,997
Non-controlling interests	<u>(981)</u>	<u>(377)</u>
	<b><u>51,506</u></b>	<b><u>3,620</u></b>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**30 June 2025**

		<b>30 June 2025</b>	<b>31 December 2024</b>
	<i>Notes</i>	<b>RMB'000</b>	<b>RMB'000</b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>58,942</b>	58,624
Investment properties		<b>203,534</b>	154,498
Right-of-use assets		<b>32,895</b>	30,108
Goodwill	9	<b>11,427</b>	11,427
Other intangible assets		<b>172</b>	187
Investments in associates		<b>14,356</b>	14,562
Prepayments, other receivables and other assets		<b>15,050</b>	17,963
Time deposits		<b>70,000</b>	90,000
Equity investments designated at fair value through other comprehensive income	12	<b>34,335</b>	37,543
Debt investments at fair value through other comprehensive income	12	<b>53,755</b>	56,143
Financial assets at fair value through profit or loss	12	<b>29,159</b>	30,300
Deferred tax assets		<b>323</b>	–
Total non-current assets		<b>523,948</b>	501,355
<b>CURRENT ASSETS</b>			
Accounts receivable and receivables due from third-party game distribution platforms and payment channels	10	<b>62,735</b>	51,019
Prepayments, other receivables and other assets	11	<b>20,584</b>	15,655
Other current assets		<b>8,652</b>	9,551
Financial assets at fair value through profit or loss	12	<b>2,043</b>	1,815
Cash and cash equivalents		<b>79,859</b>	100,687
Time deposits		<b>20,000</b>	–
Total current assets		<b>193,873</b>	178,727
<b>CURRENT LIABILITIES</b>			
Other payables and accruals		<b>69,883</b>	90,980
Interest-bearing bank loans		<b>6,000</b>	6,000
Lease liabilities		<b>1,407</b>	–
Tax payable		<b>3,216</b>	3,308
Contract liabilities		<b>10,911</b>	7,481
Total current liabilities		<b>91,417</b>	107,769
<b>NET CURRENT ASSETS</b>		<b>102,456</b>	70,958
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>626,404</b>	572,313

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**(continued)**

	<b>30 June 2025 RMB'000 (Unaudited)</b>	<b>31 December 2024 RMB'000 (Audited)</b>
<b>NON-CURRENT LIABILITIES</b>		
Interest-bearing bank loans	<b>80,500</b>	83,500
Lease liabilities	<b>1,993</b>	–
Deferred tax liabilities	<b>3,205</b>	2,917
Contract liabilities	<b>2,948</b>	3,316
	<hr/>	<hr/>
Total non-current liabilities	<b>88,646</b>	89,733
	<hr/>	<hr/>
<b>Net assets</b>	<b>537,758</b>	482,580
	<hr/>	<hr/>
<b>EQUITY</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	<b>1</b>	1
Share premium	<b>604,624</b>	604,624
Reserves	<b>(78,644)</b>	(134,803)
	<hr/>	<hr/>
	<b>525,981</b>	469,822
	<hr/>	<hr/>
<b>Non-controlling interests</b>	<b>11,777</b>	12,758
	<hr/>	<hr/>
<b>Total equity</b>	<b>537,758</b>	482,580
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# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

## 30 JUNE 2025

### 1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does 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.

### 2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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 31 December 2024, except for the adoption of the following amended IFRS Accounting Standard for the first time for the current period's financial information.

Amendments to IFRS 21

*Lack of Exchangeability*

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

Amendments to IFRS 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. OPERATING SEGMENT INFORMATION

#### Information about geographical areas

Since no revenue or operating profit from transactions with a single geographical area other than Chinese Mainland accounted for 10% or more of the Group's revenue and all of the Group's identifiable assets and liabilities were located in Mainland China, no geographical segment information in accordance with IFRS 8 *Operating Segments* is presented.

#### Information about major customers

No revenue from the Group's sales to a single customer amounted to 10% or more of the Group's revenue for the six months ended 30 June 2025 (2024: No revenue from the Company's sales to a single customer amounted to 10% or more of the Group's revenue).

#### 4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2025 RMB'000	2024 RMB'000
Revenue from contracts with customers	<u>451,353</u>	<u>101,752</u>

#### Revenue from contracts with customers

##### (a) Disaggregated revenue information

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
<b>Types of goods or services</b>		
Game operations	427,737	83,312
– Gross basis	390,454	37,702
– Net basis	37,283	45,610
Online game distribution	14	192
Licensing income	3,047	6,498
Advertising revenue	18,638	9,646
Sale of goods	1,870	2,096
Technical service income	<u>47</u>	<u>8</u>
Total revenue from contracts with customers	<u>451,353</u>	<u>101,752</u>
<b>Timing of revenue recognition</b>		
Services transferred over time	2,735	6,498
Services and goods transferred at a point of time	<u>448,618</u>	<u>95,254</u>
Total revenue from contracts with customers	<u>451,353</u>	<u>101,752</u>

	<b>For the six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Other income</b>		
Government grants	551	1,418
Interest income	2,348	2,970
Gross rental income from investment property operating leases	3,076	3,152
	<hr/>	<hr/>
Total other income	5,975	7,540
	<hr/>	<hr/>
<b>Gains</b>		
Fair value gains:		
Financial assets	1,113	651
Other gains	763	406
	<hr/>	<hr/>
Total other income and gains	7,851	8,597
	<hr/>	<hr/>

## 5. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

	<b>For the six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Channel costs	80,158	11,782
Advertising expenses	232,176	22,359
Outsource fee	187	147
Depreciation of property, plant and equipment	1,501	1,387
Depreciation of right-of-use assets	1,115	1,193
Amortisation of other intangible assets	15	115
Lease payments not included in the measurement of lease liabilities	1,199	1,053
Loss on disposal of items of property, plant and equipment	–	140
Fair value gains, net		
Fair value (gains)/losses, net:		
Financial assets at fair value through profit or loss	(977)	11,012
Changes in fair value of investment properties, net	2,332	1,034
Loss on disposal of a subsidiary	5,197	–
Exchange difference, net	(119)	(181)
	<hr/>	<hr/>

## 6. INCOME TAX EXPENSE

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and accordingly is not subject to income tax.

Under the relevant income tax law, the PRC subsidiaries were subject to income tax at a statutory rate of 25% for the year on their respective taxable income, except for Kailuo Tianxia and Xiamen Feixin, which were certified as High and New Technology Enterprises (“HNTes”) and entitled to a preferential income tax rate of 15% from 2022 to 2025, and Xiamen Yidou, Xiamen Youli and Xiamen Feiyu which were certified as High and New Technology Enterprises (“HNTes”) in 2024 and entitled to a preferential income tax rate of 15% from 2024 to 2027. 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 year.

	<b>For the six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Current tax	<b>1,199</b>	–
Deferred tax	<b>(35)</b>	329
	<hr/>	<hr/>
Total tax charge for the period	<b>1,164</b>	329
	<hr/>	<hr/>

## 7. DIVIDEND

The Board does not recommend the payment of an interim dividend to the ordinary equity holders of the Company for the six months ended 30 June 2025 (for the six months ended 30 June 2024: Nil).

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

The calculation of the basic earnings per share amount 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 1,749,442,062 (for the six months ended 30 June 2024: 1,749,415,977) outstanding during the period, as adjusted to reflect the share issuance during the period.

The calculation of the diluted earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number 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 of all dilutive potential ordinary shares into ordinary shares.

	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Earnings</b>		
Profit/(Loss) attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation:	<b>57,520</b>	(1,586)
	<hr/>	<hr/>
<b>Shares</b>		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	<b>1,749,442,062</b>	1,749,415,977
Effect of dilution – weighted average number of ordinary shares:		
Share options	–	–
	<hr/>	<hr/>
	<b>1,749,442,062</b>	1,749,415,977
	<hr/>	<hr/>



## 9. GOODWILL

*RMB'000*

At 30 June 2025 and 31 December 2024:

Cost	432,278
Accumulated impairment	(420,851)

Net carrying amount	11,427
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## 10. ACCOUNTS RECEIVABLE AND RECEIVABLES DUE FROM THIRD-PARTY GAME DISTRIBUTION PLATFORMS AND PAYMENT CHANNELS

The Group's credit terms with customers generally range from one month to three months. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancement over its receivable balances. These receivables are non-interest-bearing.

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

	<b>30 June 2025 <i>RMB'000</i> (Unaudited)</b>	<b>31 December 2024 <i>RMB'000</i> (Audited)</b>
Within 3 months	<b>62,735</b>	51,019

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

The balances consist of receivables from third parties which have no recent history of default and past due amounts. As at 30 June 2025 and 31 December 2024, the loss allowance was assessed to be minimal.

# 11. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
<b>Non-current</b>		
Prepayments	6,598	7,321
Prepaid land lease payments related deposits	1,605	1,605
Other receivables	15,964	18,165
Deposits	95	84
	<u>24,262</u>	<u>27,175</u>
Impairment allowance	(9,212)	(9,212)
	<u>15,050</u>	<u>17,963</u>
<b>Current</b>		
Prepayments	8,795	7,826
Investment property rental income	4,716	3,908
Deposits	308	237
Other receivables	24,057	20,984
	<u>37,876</u>	<u>32,955</u>
Impairment allowance	(17,292)	(17,300)
	<u>20,584</u>	<u>15,655</u>

**12. DEBT INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME, EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME AND FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

		<b>30 June 2025 RMB'000 (Unaudited)</b>	31 December 2024 RMB'000 (Audited)
<b>Debt investments at fair value through other comprehensive income</b>			
Straight bond	(1)	<u>53,755</u>	<u>56,143</u>
<b>Equity investments designated at fair value through other comprehensive income</b>			
Unlisted equity investments, at fair value	(2)	<u>34,335</u>	<u>37,543</u>
<b>Financial assets at fair value through profit or loss</b>			
Unlisted debt investments, at fair value	(3)	<u>29,159</u>	30,300
Listed equity investment, at fair value	(4)	<u>2,043</u>	<u>1,815</u>
		<u><b>31,202</b></u>	<u><b>32,115</b></u>

- (1) On 15 July 2021, the Group invested in a bond issued by CLP Power Hong Kong Financing Limited with a nominal amount of US\$3,500,000 at a consideration of US\$3,542,000 (equivalent to approximately RMB23.0 million). The bond has a coupon interest rate of 2.25% per annum with a maturity period of 10 years.

During the second half of July 2021, the Group successively invested in a bond issued by Ease Trade Global Limited with an accumulated nominal amount of US\$2,800,000 at an accumulated consideration of US\$2,883,000 (equivalent to approximately RMB18.6 million). The bond has a coupon interest rate of 4.0% per annum with a maturity period of 5 years.

On 15 July 2021, the Group invested in a bond issued by New World Development Company Limited with a nominal amount of US\$3,500,000 at a consideration of US\$3,783,000 (equivalent to approximately RMB24.5 million). The bond has a coupon interest rate of 4.5% per annum with a maturity period of 10 years.

Debt investments at fair value through other comprehensive income are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

- (2) The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature, which represented equity investments in one company listed on the National Equities Exchange And Quotations of the PRC, and four unlisted entities incorporated in the PRC and Singapore.
- (3) The above unlisted debt investments represented the investments in two unlisted limited partnerships.
- (4) The listed equity investment, which represented an equity investment in a company listed on the Nasdaq Global Select Market was classified as a financial asset at fair value through profit or loss as it was held for trading.

## **OTHER INFORMATION AND CORPORATE GOVERNANCE HIGHLIGHTS**

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

During the six months ended 30 June 2025, neither the Company, its subsidiaries nor any of the PRC Operating Entities had purchased, sold or redeemed any of the Company's listed securities.

### **Audit Committee**

The Company established the Audit Committee on 17 November 2014 with written terms of reference adopted in compliance with the CG Code and the written terms of reference were updated on 28 December 2015, 27 December 2018 and 26 March 2024 respectively. As at the date of this announcement, the Audit Committee comprises Ms. LIU Qianli, Mr. LAI Xiaoling and Mr. CAO Xi, all of whom are independent non-executive Directors.

The Audit Committee, together with the Board and the auditors of the Company, has reviewed the accounting standards and practices adopted by the Group and the unaudited consolidated interim results of the Company for the six months ended 30 June 2025.

### **Compliance with the CG Code**

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of shareholders and to enhance corporate value and accountability. Save as disclosed below, the Company has complied with all applicable code provisions under the CG Code for the six months ended 30 June 2025.

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. YAO Jianjun serves as the Chairman and Chief Executive Officer of the Company. In view of Mr. YAO Jianjun's extensive experience in the industry, personal profile and role in the Group and its historical development, the Board believes that it is appropriate and beneficial to the business prospects of the Group that Mr. YAO Jianjun act as both Chairman and Chief Executive Officer. Furthermore, the Board believes that vesting the roles of both Chairman and Chief Executive Officer in an experienced and qualified person such as Mr. YAO Jianjun should help to provide strong and consistent leadership, allowing the Company to more effectively plan and implement business decisions and strategies. Besides, all major decisions have been made in consultation with members of the Board, which comprises experienced and high caliber individuals, appropriate Board committees, as well as the senior management team. The Board is, therefore, of the view that there are adequate checks and balances in place. Nevertheless, the Board will continue to monitor and review the Company's current structure and make necessary changes at an appropriate time.

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the CG Code, and maintain a high standard of corporate governance practices of the Company.

## **Compliance with Model Code**

The Company has adopted the Model Code for securities transactions by the Directors. Having made specific enquiries with all the Directors, each of the Directors has confirmed that he/she has complied with the Model Code throughout the six months ended 30 June 2025.

Senior management, executives and staff who, because of their work at the Company are likely to possess inside information, have also been requested to comply with the Model Code for securities transactions. No incident of non-compliance with the Model Code by such employees was noted by the Company during the six months ended 30 June 2025.

## **Publication of the Interim Results Announcement and 2025 Interim Report**

This interim results announcement is published on the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.feiyuhk.com](http://www.feiyuhk.com)), and the 2025 interim report containing all the information required by the Listing Rules will be published on the abovementioned websites in due course.

## **APPRECIATION**

The Board would like to express its sincere gratitude to its Shareholders, the management team, employees, business partners and customers for their continued support and contribution.

## **GLOSSARY**

“2024 Restricted Share Unit Scheme”	the restricted share unit scheme adopted by the Shareholders on 24 May 2024
“2024 Share Option Scheme”	the share option scheme adopted by the Shareholders on 24 May 2024
“ARPPU”	average revenue per paying user, calculated by dividing monthly average revenue from the sale of virtual items and premium features during a certain period by the number of average MPUs during the same period
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors
“Cayman Islands”	the Cayman Islands
“CG Code”	Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“Chairman”	the chairman of the Board

“Chief Executive Officer”	the chief executive officer of the Company
“China” or “PRC” or “Mainland China”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong Special Administrative Region of the People’s Republic of China, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Company” or “Feiyu”	Feiyu Technology International Company Ltd., an exempted company incorporated in the Cayman Islands with limited liability on 6 March 2014
“Director(s)”	director(s) of the Company
“Group” or “the Group”	the Company, its subsidiaries and the PRC Operating Entities
“HK\$”, “Hong Kong dollars” or “HKD”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the People’s Republic of China
“IAS(s)”	International Accounting Standards
“IASB”	International Accounting Standard Board
“IFRS(s)”	International Financial Reporting Standards, amendments and interpretations issued by the IASB
“IP”	intellectual properties
“Land”	the land located in Huli District, Xiamen, the PRC as disclosed in the Company’s announcement dated 21 July 2016
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
“MAUs”	monthly active users, which is the number of players who logged into a particular game in the relevant calendar month. Under this metric, a player who logged into two different games in the same month is counted as two MAUs. Similarly, a player who plays the same game on two different publishing platforms in a month would be counted as two MAUs. Average MAUs for a particular period is the average of the MAUs in each month during that period

“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers, as set out in Appendix C3 to the Listing Rules
“MPUs”	monthly paying users, which is the number of paying players in the relevant calendar month. Average MPUs for a particular period is the average of the MPUs in each month during that period
“PC”	personal computer
“PRC Operating Entities”	Xiamen Guanghuan and its subsidiaries and “PRC Operating Entity” means any one of them
“R&D”	research and development
“Renminbi” or “RMB”	Renminbi yuan, the lawful currency of the PRC
“RPG”	role-playing games, which involve a large number of players who interact with each other in an evolving fictional world. Each player adopts the role of one or more “characters” who develop specific skill sets (such as melee combat or casting magic spells) and control the character’s actions. There are unlimited possible game scenarios where the evolution of the game world is determined by the actions of the players, and the storyline continuously evolves even while the players are offline and away from the games
“RSU(s)”	restricted share units or any one of them
“Share(s)”	ordinary share(s) in the share capital of the Company with nominal value of US\$0.0000001 each
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary” or “subsidiaries”	has the meaning ascribed thereto in section 15 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong)
“US\$”, “United States Dollars” or “USD”	United States dollars, the lawful currency of the United States of America



“Xiamen Guanghuan”

Xiamen Guanghuan Information Technology Co., Ltd. (廈門光環信息科技有限公司), a limited company incorporated under the laws of the PRC on 12 January 2009, being a company which the Group does not own but can exercise and maintain control over, and to consolidate its financial results as a wholly-owned subsidiary of the Company by virtue of certain contractual arrangements

By Order of the Board

**Feiyu Technology International Company Ltd.**

**YAO Jianjun**

*Chairman, Chief Executive Officer and Executive Director*

Hong Kong, 27 August 2025

*As at the date of this announcement, the Board comprises Messrs. YAO Jianjun, CHEN Jianyu, BI Lin and LIN Zhibin, as executive Directors; and Ms. LIU Qianli and Messrs. LAI Xiaoling and CAO Xi, as independent non-executive Directors.*