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# Inkeverse

## Inkeverse Group Limited

映宇宙集团有限公司

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

**(Stock Code: 3700)**

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

#### FINANCIAL HIGHLIGHTS

	For the six months ended 30 June		Period- to-Period Change*	For the year ended 31 December
	2025 (unaudited)	2024 (unaudited)	%	2024 (audited)
	<i>(RMB in thousands, except for percentages)</i>			
Revenue	<b>2,677,543</b>	3,533,173	(24.2)	6,850,721
Cost of sales	<b>(1,400,581)</b>	(1,873,214)	(25.2)	(3,508,024)
Gross profit	<b>1,276,962</b>	1,659,959	(23.1)	3,342,697
Operating profit	<b>369,356</b>	136,687	170.2	220,291
Profit for the period/year	<b>273,979</b>	135,115	102.8	216,642
Non-IFRSs adjusted net profit**	<b>281,277</b>	146,485	92.0	234,393

\* *Period-to-period change represents a comparison between the current reporting period and the corresponding period of last year.*

\*\* *Non-IFRSs adjusted net profit was calculated by using profit for the period/year and eliminating the effect of non-cash share-based compensation expenses.*

## OPERATIONAL HIGHLIGHTS

The following table sets forth the key operating data for the Group’s major products:

	For the six months ended 30 June		Period- to-Period Change*	For the year ended
	2025	2024	%	31 December 2024
Average monthly active users (“MAUs”)** (in thousands)	20,185	24,045	(16.1)	20,836
Average monthly revenue per user (“ARPU”)** (in RMB)	22.1	24.5	(9.8)	27.4

\* *Period-to-period change represents a comparison between the current reporting period and the corresponding period of last year.*

\*\* *Average MAUs and ARPU are based on the major products of the Group.*

The board (the “**Board**”) of directors (the “**Director(s)**”) of Inkeverse Group Limited (the “**Company**”) is pleased to announce the unaudited interim condensed consolidated results (the “**Interim Results**”) of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2025 (the “**Reporting Period**”). The Interim Results have been reviewed by PricewaterhouseCoopers, the auditor of the Company, and the audit committee of the Company (the “**Audit Committee**”).

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW AND OUTLOOK**

In the first half of 2025, in the face of the evolving market environment, the Group adhered to its long-term development strategy, actively embraced changes of cutting-edge technology, and continued to explore diversified growth paths. The live streaming and social networking business actively responds to market challenges by deepening the platform ecological construction and the integration and application of AI technology, laying a solid foundation for healthy and sustainable development; the innovative business segment has achieved rapid development. The playlet business has maintained its leadership in the industry by virtue of its complete production system and diversified business model. The overseas business has made positive progress by deepening the core market in Southeast Asia and expanding the layout of emerging regions.

Looking ahead, the Group will actively seize the opportunities of the era presented by technological innovation and global development, continue to deepen the application exploration of AI technology across various business scenarios, accelerate the localization layout of overseas markets, and continuously refine the diversified business matrix. At the same time, the Group will remain attentive to the development trends of Web3.0 and digital assets, and reserve momentum for long-term development through forward-looking technology layout and asset allocation.

### **BUSINESS REVIEW**

#### **Solid ecological advantages in the platform with cutting-edge technological innovation**

The live streaming and social networking business, as the cornerstone of the Group's business, maintained a steady growth amid the complex and volatile market environment. Through refined operation strategies and forward-looking technical layout, the Company has laid the foundation for the long-term healthy development of the platform ecosystem. While ensuring the healthy development of its business, the Group continued to deepen the ecological construction of streamers and guilds, improve the technical and operational barriers of products, and enhance the overall users' loyalty to the platform. At the same time, the Group actively embraces cutting-edge technologies, continues to explore innovative ways of user interactive experience through the integration of AI technology and social products, so as to create more diversified live streaming and social networking entertainment experiences for users.

## **Breakthroughs in innovative business with diversified growth drivers**

In the first half of 2025, the innovative business achieved rapid development. The Group has always been dedicated to enriching the product system and business layout through innovation across various niche sectors. As an important reflection of the Group's innovation capabilities, the playlet business has achieved double improvement in production capacity and content quality by virtue of its stable scale advantage and continuous content construction capabilities, so that the Group maintained its leading market position in the increasingly fierce competition in the industry. As the overseas business is the strategic direction of the Group's key layout, while continuing to deepen its core markets such as Southeast Asia and the Middle East, it also orderly promoted the expansion into other emerging markets. Through localized team building and product function iteration, the Group has effectively improved the user reputation and commercialization efficiency of its products, achieving steady growth in business scale. In emerging fields, the Group has always maintained an optimistic attitude towards the development of WEB3.0 and blockchain industries, and held and continuously expanded its cryptocurrency reserves. Meanwhile, the Group actively empowered its businesses with AI technology and continuously explored new pathways to improve user experience and innovate business models, injecting new growth momentum into its long-term development.

## **BUSINESS OUTLOOK**

### **Accelerating innovative application exploration and building a healthy sustainable ecosystem**

The Group will persist in building a long-term, healthy and sustainable live streaming and social networking ecosystem and increase investment in cutting-edge technologies such as AI while ensuring the stable operation of its principal business. On the one hand, the Company will integrate superior resources, improve operational efficiency, and continue to explore the diverse and segmented social entertainment needs of users. In addition, the Company will focus on the exploration of applying AI technology in live streaming and social networking scenarios, continuously improve user experience and platform value through differentiated product positioning and refined user operations, so as to inject new growth momentum into the long-term development of the Group.

### **Consolidating the advantages of core regions and expanding a diversified market structure**

The Group will continue to deepen its strategic layout in overseas markets and build a more complete overseas interactive entertainment ecosystem through differentiated regional development strategies and continuous localization innovation. In terms of regional expansion, the Group will further strengthen localized operations and brand building. At the same time, the Company will leverage its accumulated advantages and experience in core markets to continuously explore emerging markets with development potential. In terms of product innovation, the Group will further identify user needs, optimize product experience and explore the application of cutting-edge technologies to continuously enhance the competitiveness of products.

## **Deepening AI business integration and reserving momentum through future-oriented layout**

With the rapid iterations and breakthroughs of large model technology and application capabilities, AI capabilities are evolving at an exponential pace. The Company will actively embrace the rapid development trend of the AI industry and deeply explore effective paths to leverage AI technology for business growth. Meanwhile, the Group maintains a positive outlook on the growth potential of the blockchain industry and the long-term value of cryptocurrencies. We will continue to allocate relevant assets as the core anchor point for future asset security, growth, and globalization. Looking ahead, the Group will continuously explore major opportunities in emerging fields, improve operational efficiency across all levels, and open up growth potential in multiple dimensions.

## **FINANCIAL REVIEW**

### ***Revenue***

The Group's revenue for the Reporting Period amounted to approximately RMB2,677.5 million, representing a decrease of 24.2% from approximately RMB3,533.2 million recorded for the corresponding period in 2024. The decrease was mainly due to the adjustment of the Group's strategy and business focus, along with certain innovative business lines still being in the exploratory and early development stage.

### ***Cost of sales***

The Group's cost of sales decreased by 25.2% to approximately RMB1,400.6 million for the Reporting Period from approximately RMB1,873.2 million for the corresponding period in 2024, mainly attributable to the decrease in revenue.

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

As a result of the foregoing, the Group's gross profit decreased by 23.1% to approximately RMB1,277.0 million for the Reporting Period from approximately RMB1,660.0 million for the corresponding period in 2024. The Group's gross profit margin remained relatively stable at approximately 47.7% for the Reporting Period, compared to approximately 47.0% for the corresponding period in 2024.

### ***Selling and marketing expenses***

The Group's selling and marketing expenses decreased by 23.2% to approximately RMB990.2 million for the Reporting Period from approximately RMB1,289.7 million for the corresponding period in 2024. The Group's selling and marketing expenses as a percentage of the Group's revenue remained broadly stable at 37.0% for the Reporting Period, compared to 36.5% for the corresponding period in 2024.

### ***Administrative expenses***

The Group's administrative expenses decreased by 17.5% to approximately RMB108.6 million for the Reporting Period from approximately RMB131.5 million for the corresponding period in 2024, which was mainly due to the Group's continuous adjustment of its staff structure.

### ***Research and development expenses***

The Group's research and development expenses decreased by 16.6% to approximately RMB82.7 million for the Reporting Period from approximately RMB99.1 million for the corresponding period in 2024. Such decrease was primarily due to the Group's continuous adjustment of its operational strategy for the optimization of its staff structure and a decrease in staff costs.

### ***Other gains/(losses) — net***

The Group's other gains/(losses) — net changed from a net loss of approximately RMB18.5 million for the corresponding period in 2024 to a net gain of approximately RMB297.2 million for the Reporting Period, primarily due to the increase in the fair value of certain financial assets held at fair value through profit or loss.

### ***Finance income — net***

The Group recorded net finance income of approximately RMB16.9 million for the Reporting Period, representing a decrease of 17.5% as compared to approximately RMB20.5 million for the corresponding period in 2024, mainly due to the adjustment of the Group's cash management strategy, resulting in a decrease in the bank interest income during the Reporting Period.

### ***Share of loss of investments accounted for using the equity method***

The Group's share of loss of investments accounted for using the equity method was approximately RMB51.1 million for the Reporting Period, and the share of loss of investments accounted for using the equity method was approximately RMB1.3 million for the corresponding period in 2024. The loss was mainly due to an increase in the investment loss recognized during the Reporting Period by the associates and joint ventures in which the Group has invested.

### *Income tax expense*

During the Reporting Period, the Group's income tax expense was approximately RMB61.2 million, representing an increase of 194.2% as compared to approximately RMB20.8 million for the corresponding period in 2024. The increase in income tax expense was primarily due to the period-to-period increase in the profit before tax.

### *Profit for the period*

As a result of the foregoing, the Group recorded a profit of approximately RMB274.0 million for the Reporting Period, representing an increase of 102.8% from a profit for the period of approximately RMB135.1 million for the corresponding period in 2024.

### *Non-IFRSs measure — Adjusted net profit*

To supplement the Group's unaudited interim condensed consolidated financial information which is presented in accordance with the International Financial Reporting Standards (the "IFRSs"), the Group also uses adjusted net profit as an additional financial measure. The Group's adjusted net profit eliminates the effect of non-cash share-based compensation expenses. The table below sets forth the reconciliation of adjusted net profit for the periods indicated:

	<b>Unaudited</b>	
	<b>For the six months</b>	
	<b>ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Profit for the period	<b>273,979</b>	135,115
Add: non-cash share-based compensation expenses <sup>(1)</sup>	<b>7,298</b>	11,370
Adjusted net profit <sup>(2)</sup>	<b>281,277</b>	146,485

#### *Notes:*

- <sup>(1)</sup> Refers to share-based compensation benefits provided to certain employees via the employee share scheme.
- <sup>(2)</sup> To supplement our unaudited interim condensed consolidated financial information which is presented in accordance with the IFRSs, we also use adjusted net profit as an additional financial measure. We present this financial measure because it is used by our management to evaluate our operating performance. We also believe that this non-IFRSs measure provides useful data to investors and others in understanding and evaluating our results of operations in the same manner as our management and in comparing financial results across accounting periods and to those of our peer companies. Adjusted net profit is calculated by using profit for the period and adding back non-cash share-based compensation expenses. The term of adjusted net profit is not defined under the IFRSs. The use of adjusted net profit has material limitations as an analytical tool as it does not include all items that impact our net profit for the period.

### ***Liquidity and capital resources***

For the Reporting Period, the Group financed its operations primarily through cash generated from the Group's operating activities. The Group intends to finance its expansion and business operations with internal resources and through its sustainable growth. As at 30 June 2025, the current ratio (the current assets to current liabilities ratio) of the Group was 5.9, and the gearing ratio (the total liabilities to total equity ratio) was 0.1, as compared to 3.7 and 0.3, respectively, as at 31 December 2024.

### ***Cash and cash equivalents and restricted cash***

As at 30 June 2025, the Group had cash and cash equivalents of approximately RMB1,690.2 million (31 December 2024: approximately RMB2,195.7 million), which primarily consisted of cash at banks. Out of approximately RMB1,690.2 million, approximately RMB1,227.9 million is denominated in Renminbi and approximately RMB462.3 million is denominated in other currencies (primarily United States dollars (“USD”). The Group independently adjusts its foreign currency holdings to ensure the smooth development of overseas business.

As of 30 June 2025, the restricted cash balance of the Group was approximately RMB68.9 million (31 December 2024: approximately RMB319.6 million), primarily consisting of security deposits of RMB40.3 million, with the remainder comprising frozen cash and other restricted items. Within the total restricted cash balance, approximately RMB28.5 million (31 December 2024: approximately RMB28.4 million) were cash frozen by the local regulatory authorities in connection with the relevant investigation related to the case as disclosed in the section headed “Contingent liabilities and guarantees” in this interim results announcement.



### *Financial assets at fair value through profit or loss*

As of 30 June 2025, the Group had current and non-current financial assets at fair value through profit or loss of approximately RMB1,566.3 million (31 December 2024: approximately RMB759.4 million), mainly comprising (a) investment products of approximately RMB1,391.2 million in aggregate (31 December 2024: approximately RMB564.8 million); and (b) investments in financial instruments with preferred rights of approximately RMB175.0 million (31 December 2024: approximately RMB194.5 million).

	<b>Unaudited 30 June 2025 RMB'000</b>	Audited 31 December 2024 RMB'000
<b>Investment products</b>		
— Listed equity	<b>751,584</b>	302,439
— Derivative options on listed equity	<b>56,132</b>	–
— Fund	<b>544,514</b>	147,410
— Others	<b>39,000</b>	115,000
	<hr/>	<hr/>
<b>Subtotal</b>	<b>1,391,230</b>	564,849
	<hr/>	<hr/>
<b>Non-current</b>		
Unlisted preference shares	<b>175,043</b>	194,520
	<hr/>	<hr/>
<b>Subtotal</b>	<b>175,043</b>	194,520
	<hr/>	<hr/>
<b>Total</b>	<b>1,566,273</b>	759,369
	<hr/>	<hr/>

Subscriptions of investment products were made for treasury management purposes to maximise the return on the unutilised funds of the Company after taking into account, among others, the level of risk, return on investment, liquidity and the term to maturity. Generally, the Company had in the past selected financial products issued by commercial banks and other financial institutions. Prior to making an investment, the Company had also ensured that it would remain sufficient working capital for the Group's business needs, operating activities and capital expenditures even after making the investments in such financial products. The associated risk of these financial products were considered acceptable by the Group and are also in line with the internal risk management, cash management and investment policies of the Group. In accordance with the relevant accounting standards, these financial products were accounted for as financial assets at fair value through profit or loss.

In view of an upside of earning a more attractive return than current saving or fixed deposit rate under the low interest rate trend, as well as the manageable risk level and the flexible redemption terms or a relatively short term of maturity of the investment products, the Directors are of the view that the risk exposure of these financial products to the Group is controllable, and the terms and conditions of each of the subscriptions are fair and reasonable and are in the interests of the Company and its shareholders as a whole. The Company believes that the above investment strategies and directions would continue to generate stable income to the Group.

### *Capital expenditures*

For the Reporting Period, the Group's capital expenditures amounted to approximately RMB231.2 million (six months ended 30 June 2024: approximately RMB69.6 million), which were mainly used for acquisition of equipment, leasehold improvements and intangible assets. The Group funded its capital expenditures by using the cash flow generated from its operations.

### *Contingent liabilities and guarantees*

In connection with the investigations initiated by the local regulatory authorities, the Group's certain bank balances of approximately RMB28.5 million were restricted as of 30 June 2025 (31 December 2024: approximately RMB28.4 million).

The management of the Company, taking into consideration all available information and opinions received from its legal counsel, is of the view that the Group's business operations are in compliance with applicable rules and regulations in the People's Republic of China (the "PRC"). As of the date of this interim results announcement, the Group has not received any subpoena to represent as a defendant in a lawsuit related to the aforesaid investigations. Therefore, the Group considered opinions received from its legal counsel and determined that it is more likely that no present obligation exists as a result of such investigations. As at the date of this interim results announcement, as the investigations are still ongoing with related details not being accessible by the Group, it is not practicable to assess or estimate the possible financial impact, therefore the Group has not made any provision in this matter.

### *Pledge of assets*

As of 30 June 2025, the Group did not have any pledge or charge on assets.

### ***Foreign exchange risk management***

Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the Group's entities' functional currency. The functional currency of the Company is USD, and the functional currency of subsidiaries operated in the PRC is Renminbi. The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures and tries to minimise these exposures through natural hedges, wherever possible, and may enter into forward foreign exchange contracts when necessary.

### **Employees and Remuneration Policy**

As of 30 June 2025, the Group had a total of 1,462 full-time employees, mainly located in the PRC. In particular, 389 full-time employees are responsible for technology, research and development.

Remuneration of the Group's employees includes basic salaries, allowances, bonus, share-based payment and other employee benefits, and is determined with reference to their experience, qualification and general market conditions. The emolument policy for the employees of the Group is set up by the Board on the basis of their merit, qualification and competence. The Group believes that it maintains a good working relationship with the employees and has not experienced any material labour disputes during the Reporting Period.

In order to expand the Company's talent team, strengthen the capability of talents at different levels and provide intellectual support to the sustainable development of the Company, the Company has developed an efficient and systematic talent training and development plan. The Group believes that a systematic training program will help our employees acquire the necessary professional skills and effectively improve their professional ethics. Major training programs revolve around targeted training for the recruited graduates, new employees, junior management, mid-level management and senior management.

### **Interim Dividend**

The Board resolved not to declare any payment of interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<i>Notes</i>	<b>Unaudited</b>	
		<b>Six months ended 30 June</b>	
		<b>2025</b>	2024
		<i>RMB'000</i>	<i>RMB'000</i>
Revenue	5	<b>2,677,543</b>	3,533,173
Cost of sales	6	<b>(1,400,581)</b>	(1,873,214)
<b>Gross profit</b>		<b>1,276,962</b>	1,659,959
Selling and marketing expenses	6	<b>(990,213)</b>	(1,289,739)
Administrative expenses	6	<b>(108,565)</b>	(131,544)
Research and development expenses	6	<b>(82,656)</b>	(99,140)
Net impairment (losses)/reversal on financial assets	6	<b>(30,504)</b>	1,574
Other income		<b>7,126</b>	14,104
Other gains/(losses) — net		<b>297,206</b>	(18,527)
<b>Operating profit</b>		<b>369,356</b>	136,687
Finance income		<b>17,734</b>	24,221
Finance costs		<b>(814)</b>	(3,705)
Finance income — net		<b>16,920</b>	20,516
Share of loss of investments accounted for using the equity method		<b>(51,068)</b>	(1,274)
<b>Profit before income tax</b>		<b>335,208</b>	155,929
Income tax expense	7	<b>(61,229)</b>	(20,814)
<b>Profit for the half-year</b>		<b>273,979</b>	135,115
<b>Profit attributable to:</b>			
— The owners of the Company		<b>244,269</b>	120,599
— Non-controlling interests		<b>29,710</b>	14,516
		<b>273,979</b>	135,115

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)**

		<b>Unaudited</b>	
		<b>Six months ended 30 June</b>	
	<i>Notes</i>	<b>2025</b>	2024
		<b>RMB'000</b>	<b>RMB'000</b>
<b>Other comprehensive (loss)/income</b>			
Items that may be reclassified to profit or loss:			
Currency translation differences		(3,752)	(795)
Items that will not be reclassified to profit or loss:			
Currency translation differences		(3,390)	6,624
		<u>(7,142)</u>	<u>5,829</u>
<b>Other comprehensive (loss)/income for the half-year, net of tax</b>			
		<u>(7,142)</u>	<u>5,829</u>
<b>Total comprehensive income for the half-year, net of tax</b>			
		<u>266,837</u>	<u>140,944</u>
<b>Total comprehensive income attributable to:</b>			
— The owners of the Company		237,127	126,428
— Non-controlling interests		29,710	14,516
		<u>266,837</u>	<u>140,944</u>
<b>Earnings per share attributable to the shareholders of the Company (expressed in RMB per share):</b>			
— Basic earnings per share	<i>8(a)</i>	<u>0.13</u>	<u>0.06</u>
— Diluted earnings per share	<i>8(b)</i>	<u>0.13</u>	<u>0.06</u>

*The above interim condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.*

## INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

	<i>Note</i>	<b>Unaudited 30 June 2025 RMB'000</b>	Audited 31 December 2024 RMB'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		91,561	91,394
Right-of-use assets		23,691	30,678
Investment properties		127,110	128,884
Intangible assets		387,111	214,243
Deferred tax assets		66,288	99,539
Investments accounted for using the equity method		429,702	495,880
Financial assets at fair value through profit or loss		175,043	194,520
Other receivables, deposits and other assets		10,058	7,276
Term deposits		265,000	345,000
		<b>1,575,564</b>	1,607,414
<b>Total non-current assets</b>			
<b>Current assets</b>			
Inventories		11,090	10,907
Other receivables, prepayments, deposits and other assets		470,495	523,866
Trade receivables	10	167,320	148,114
Financial assets at fair value through profit or loss		1,391,230	564,849
Term deposits		50,000	201,884
Restricted cash		68,855	319,605
Cash and cash equivalents		1,690,185	2,195,694
		<b>3,849,175</b>	3,964,919
<b>Total current assets</b>			
		<b>5,424,739</b>	5,572,333
<b>Total assets</b>			

## INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)

	<i>Note</i>	<b>Unaudited 30 June 2025 RMB'000</b>	Audited 31 December 2024 RMB'000
<b>EQUITY</b>			
<b>Equity attributable to the shareholders of the Company</b>			
Share capital		12,797	12,797
Other reserves		3,973,751	3,973,595
Accumulated profit		655,885	411,616
		<b>4,642,433</b>	4,398,008
<b>Non-controlling interests</b>		<b>75,959</b>	48,258
<b>Total equity</b>		<b>4,718,392</b>	4,446,266
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities		11,697	17,169
Deferred tax liabilities		40,384	30,193
		<b>52,081</b>	47,362
<b>Current liabilities</b>			
Trade and notes payables	<i>11</i>	459,915	745,364
Other payables and accruals		82,488	113,207
Financial liabilities at fair value through profit and loss		10,373	90,574
Contract liabilities		54,238	84,091
Current income tax liabilities		33,486	30,106
Lease liabilities		13,753	12,553
Provisions		13	2,810
		<b>654,266</b>	1,078,705
<b>Total current liabilities</b>		<b>654,266</b>	1,078,705
<b>Total liabilities</b>		<b>706,347</b>	1,126,067
<b>Total equity and liabilities</b>		<b>5,424,739</b>	5,572,333

*The above interim condensed consolidated balance sheet should be read in conjunction with the accompanying notes.*

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to the owner of the Company				Non- controlling interests RMB'000	Total RMB'000
	Share capital RMB'000	Other reserves RMB'000	Accumulated profit RMB'000	Sub-total RMB'000		
<b>Balance at 1 January 2024</b>	12,803	4,022,026	231,304	4,266,133	15,710	4,281,843
<b>Profit and other comprehensive income</b>						
Total profit and other comprehensive income	–	5,829	120,599	126,428	14,516	140,944
<b>Transactions with owners in their capacity as owners</b>						
Share-based compensation expenses	–	11,370	–	11,370	–	11,370
Dividends paid to owners of the Company	–	(72,885)	–	(72,885)	–	(72,885)
Acquisition of non-controlling interests in subsidiaries	–	(3,949)	–	(3,949)	3,949	–
Dividends distributed to non-controlling interest	–	–	–	–	(3,643)	(3,643)
<b>Total transactions with owners in their capacity as owners</b>	–	(65,464)	–	(65,464)	306	(65,158)
<b>Balance at 30 June 2024 (Unaudited)</b>	<b>12,803</b>	<b>3,962,391</b>	<b>351,903</b>	<b>4,327,097</b>	<b>30,532</b>	<b>4,357,629</b>
<b>Balance at 1 January 2025</b>	<b>12,797</b>	<b>3,973,595</b>	<b>411,616</b>	<b>4,398,008</b>	<b>48,258</b>	<b>4,446,266</b>
<b>Profit and other comprehensive income</b>						
Total profit and other comprehensive income for the period	–	(7,142)	244,269	237,127	29,710	266,837
<b>Transactions with owners in their capacity as owners</b>						
Share-based compensation expenses	–	7,298	–	7,298	–	7,298
Deconsolidation of subsidiaries	–	–	–	–	(207)	(207)
Dividends distributed to non-controlling interest	–	–	–	–	(1,802)	(1,802)
<b>Total transactions with owners in their capacity as owners</b>	–	7,298	–	7,298	(2,009)	5,289
<b>Balance at 30 June 2025 (Unaudited)</b>	<b>12,797</b>	<b>3,973,751</b>	<b>655,885</b>	<b>4,642,433</b>	<b>75,959</b>	<b>4,718,392</b>



# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

## 1. GENERAL INFORMATION

Inkeverse Group Limited (the “**Company**”), previously known as Inke Limited, and its subsidiaries (together referred as to the “**Group**”) are principally engaged in value-added service and entertainment content service through operating the matrix online platforms and providing an internet infrastructure to enable the users to interact through the platforms in the People’s Republic of China (the “**PRC**” or “**China**”).

The Company is a limited liability company incorporated in the Cayman Islands. The address of the Company’s registered office is PO Box 309, Ugland House, Grand Cayman, KY1-1104, the Cayman Islands.

The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

This interim condensed consolidated financial information is presented in Renminbi (“**RMB**”), unless otherwise stated.

## 2. BASIS OF PREPARATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

This interim condensed consolidated financial information for the half-year reporting period ended 30 June 2025 has been prepared in accordance with International Accounting Standard (“**IAS**”) 34, “Interim Financial Reporting”.

The interim condensed consolidated financial information does not include all types of notes normally included in the annual consolidated financial report. Accordingly, this interim condensed consolidated financial information should be read in conjunction with the Company’s annual report for the year ended 31 December 2024 and any public announcements made by the Company during the interim reporting period.

## 3. CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the accounting policies on the estimation of income tax and the adoption of new and amended standards as set out below.

### (a) **Income tax**

Income tax expense is recognised based on management’s estimate of the weighted average effective annual income tax rate expected for the full financial year.

### (b) **New and amended standards adopted by the Group**

A number of new or amended standards became applicable for the current interim reporting period. The Group did not change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

(c) **Impact of standards issued but not yet applied by the entity**

Certain new accounting standards, amendments to existing accounting standards and interpretations have been published that are not mandatory for the current reporting period and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

**4. ESTIMATES**

The preparation of interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2024.

**5. REVENUE**

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Value-added service	<b>2,034,496</b>	2,601,174
Entertainment content service	<b>590,364</b>	642,749
Others	<b>52,683</b>	289,250
	<b>2,677,543</b>	<b>3,533,173</b>

  

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Revenue recognised at a point in time	<b>2,576,513</b>	3,419,944
Revenue recognised over time	<b>101,030</b>	113,229
	<b>2,677,543</b>	<b>3,533,173</b>

## 6. EXPENSES BY NATURE

	Unaudited	
	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue sharing to streamers	1,120,427	1,458,817
Promotion and advertising expenses	966,576	1,259,338
Employee benefit expenses	246,080	296,385
Payment handling costs	55,558	61,007
Amortization of intangible assets	52,852	61,599
Technical support and professional service fees	45,306	39,710
Bandwidth and server custody costs	36,216	50,170
Expected credit loss allowance/(reversal)	30,504	(1,574)
Travelling, entertainment and general office expenses	24,785	27,496
Depreciation of right-of-use assets	8,698	11,991
Taxes and surcharges	6,175	7,411
Depreciation of property, plant and equipment	4,841	6,631
Content costs	3,026	3,110
Outsourced development costs	2,913	4,026
Cost of goods sold	2,004	97,004
Expenses relating to short-term lease not included in lease liabilities	1,582	2,104
Others	4,976	6,838
	<u>2,612,519</u>	<u>3,392,063</u>

## 7. INCOME TAX EXPENSE

	Unaudited	
	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Current income tax expense	(52,163)	(23,035)
Deferred income tax (expense)/credit	(9,066)	2,221
	<u>(61,229)</u>	<u>(20,814)</u>

## 8. EARNINGS PER SHARE

### (a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the reporting period, excluding treasury shares.

	Unaudited Six months ended 30 June	
	2025	2024
Profit attributable to owners of the Company ( <i>RMB'000</i> )	244,269	120,599
Weighted average number of ordinary shares in issue ( <i>thousand shares</i> )	<u>1,867,266</u>	<u>1,858,163</u>
Basic earnings per share attributable to the shareholders of the Company ( <i>expressed in RMB per share</i> )	<u>0.13</u>	<u>0.06</u>

### (b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

	Unaudited Six months ended 30 June	
	2025	2024
Profit attributable to owners of the Company ( <i>RMB'000</i> )	<u>244,269</u>	<u>120,599</u>
Weighted average number of ordinary shares in issue ( <i>thousand shares</i> )	1,867,266	1,858,163
Add: Adjustment for restricted share units granted to employees ( <i>thousand shares</i> )	<u>15,477</u>	<u>13,649</u>
Weighted average number of ordinary shares for calculation of diluted earnings per share ( <i>thousand shares</i> )	<u>1,882,743</u>	<u>1,871,812</u>
Diluted earnings per share attributable to the shareholders of the Company ( <i>expressed in RMB per share</i> )	<u>0.13</u>	<u>0.06</u>

## 9. DIVIDENDS

The board of directors of the Company resolved not to declare any payment of interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

## 10. TRADE RECEIVABLES

Majority of the Group's debtors are granted with credit periods mainly ranged from 1 to 3 months. An ageing analysis of the trade receivables at the end of each reporting period based on invoice date is as follows:

	<b>Unaudited 30 June 2025 RMB'000</b>	Audited 31 December 2024 RMB'000
Trade receivables		
– Up to 3 months	<b>162,363</b>	143,716
– 3 to 6 months	<b>9,493</b>	6,325
– 6 months to 1 year	<b>1,412</b>	1,125
– Over 1 year	<b>579</b>	1,528
Less: allowance of impairment of trade receivables	<b>(6,527)</b>	(4,580)
	<b>167,320</b>	148,114

As at 30 June 2025 and 31 December 2024, the carrying amount of trade receivables is primarily denominated in RMB and approximate to their fair values at each of the reporting dates.

## 11. TRADE AND NOTES PAYABLES

	<b>Unaudited 30 June 2025 RMB'000</b>	Audited 31 December 2024 RMB'000
Trade payables	<b>419,587</b>	459,269
Notes payables	<b>40,328</b>	286,095
	<b>459,915</b>	745,364

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

	<b>Unaudited 30 June 2025 RMB'000</b>	Audited 31 December 2024 RMB'000
– Up to 3 months	<b>243,668</b>	310,103
– 3 to 6 months	<b>26,509</b>	17,538
– 6 months to 1 year	<b>17,803</b>	11,169
– Over 1 year	<b>131,607</b>	120,459
	<b>419,587</b>	459,269

## 12. EVENTS AFTER THE REPORTING PERIOD

On 20 August 2025, Beijing Meelive Network Technology Co., Ltd.\* (北京蜜萊塢網絡科技有限公司) (“**Beijing Meelive**”), a subsidiary of the Company, entered into a share purchase agreement with Skywork AI Inc. (“**Skywork AI**”), pursuant to which Skywork AI conditionally agreed to issue to Beijing Meelive, and Beijing Meelive conditionally agreed to purchase from Skywork AI, 9,950,617 series A preferred shares at an aggregate consideration of RMB100 million.

## **OTHER INFORMATION**

### **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 (including sale of treasury shares) during the Reporting Period.

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

On 20 August 2025, Beijing Meelive, a subsidiary of the Company, entered into a share purchase agreement with Skywork AI, pursuant to which Skywork AI conditionally agreed to issue to Beijing Meelive, and Beijing Meelive conditionally agreed to purchase from Skywork AI, 9,950,617 series A preferred shares at an aggregate consideration of RMB100 million. As at the date of this interim results announcement, the transaction has not yet been completed. For further details, please refer to the announcement of the Company dated 20 August 2025.

Save as disclosed above, there is no other material subsequent event undertaken by the Group after 30 June 2025 and up to the date of this interim results announcement.

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

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of its shareholders and to enhance corporate value and accountability.

The Company has adopted the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) as its own code of corporate governance. During the Reporting Period, the Company has complied with all the applicable code provisions of the CG Code and adopted most of the recommended best practices set out therein, except for a deviation from code provision C.2.1 of the CG Code which requires that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

Mr. FENG Yousheng (“**Mr. FENG**”) is the chairman and chief executive officer of the Company. With extensive experience in the internet industry, Mr. FENG is responsible for the overall strategic planning and general management of the Group and is instrumental to the Company's growth and business expansion since its establishment in 2015. The Board considers that vesting the roles of chairman and chief executive officer in the same person is beneficial to the management of the Group. The balance of power and authority is ensured by the operation of the senior management and the Board, which comprises experienced and high-calibre individuals. The Board currently comprises two executive Directors (including Mr. FENG) and three independent non-executive Directors, and therefore has a fairly strong independent element in its composition.

The Board will continue to review and monitor the practices of the Company for the purpose of complying with the CG Code and maintaining a high standard of corporate governance practices of the Company.

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

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set forth in Appendix C3 to the Listing Rules as a code of conduct of the Company for Directors’ securities transactions. Having made specific enquiry of all Directors, the Directors have confirmed that they have complied with the required standard as set out in the Model Code during the Reporting Period.

## **AUDIT COMMITTEE**

The Company established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code. As at the date of this interim results announcement, the Audit Committee comprises three independent non-executive Directors, namely Mr. David CUI, Mr. CHEN Yong and Ms. ZHENG Congnan. Mr. David CUI is the chairman of the Audit Committee.

The Audit Committee has reviewed and discussed the Interim Results of the Group for the Reporting Period, and confirms that the applicable accounting principles, standards and requirements have been complied with and that adequate disclosures have been made. The interim condensed consolidated financial information for the Reporting Period is unaudited but has been reviewed by the 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.

Save as disclosed in this interim results announcement, from 1 January 2025 to 30 June 2025, there were no other material changes in respect of the Company that needed to be disclosed under paragraph 46 of Appendix D2 to the Listing Rules.

## **PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT**

This interim results announcement is published on the website of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and that of the Company ([www.inkeverse.com](http://www.inkeverse.com)). The interim report of the Company for the Reporting Period will be dispatched to the shareholders of the Company and will be available on the website of The Stock Exchange of Hong Kong Limited and that of the Company, respectively, in due course.

By order of the Board  
**Inkeverse Group Limited**  
**FENG Yousheng**  
*Chairman and Executive Director*

Hong Kong, 29 August 2025

*As at the date of this announcement, the executive Directors are Mr. FENG Yousheng and Mr. HOU Guangling; and the independent non-executive Directors are Mr. David CUI, Mr. CHEN Yong and Ms. ZHENG Congnan.*

\* *For identification purposes only*