

**CMGE**  
**中手游**

为热爱而生

**CMGE Technology Group Limited**

**中手游科技集团有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0302)



**2025**  
**Interim Report**



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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

Mr. XIAO Jian (*Chairman and Chief Executive Officer*)

Mr. SIN Hendrick *M.H., J.P.* (*Vice Chairman*)

Mr. FAN Yingjie

### Non-executive Directors

Mr. ZHANG Shengyan

Mr. JIANG Yukai

### Independent Non-executive Directors

Ms. NG Yi Kum

Mr. TANG Liang

Mr. HO Orlando Yaukai

## AUDIT COMMITTEE

Ms. NG Yi Kum (*Chairlady*)

Mr. TANG Liang

Mr. HO Orlando Yaukai

## REMUNERATION COMMITTEE

Mr. HO Orlando Yaukai (*Chairman*)

Mr. SIN Hendrick *M.H., J.P.*

Ms. NG Yi Kum

## NOMINATION COMMITTEE

Mr. XIAO Jian (*Chairman*)

Mr. TANG Liang

Mr. HO Orlando Yaukai

Ms. NG Yi Kum (*appointed with effect from 27 March 2025*)

## CORPORATE GOVERNANCE COMMITTEE

Ms. NG Yi Kum (*Chairlady*)

Mr. SIN Hendrick *M.H., J.P.*

Mr. HO Orlando Yaukai

## AUTHORISED REPRESENTATIVES

Mr. XIAO Jian

Mr. SIN Hendrick *M.H., J.P.*

## COMPANY SECRETARY

Ms. LAI Yau Yan Gladys

## HONG KONG LEGAL ADVISER

Woo Kwan Lee & Lo

26th Floor, Jardine House

1 Connaught Place

Central

Hong Kong

## AUDITOR

BDO Limited

25th Floor, Wing On Centre

111 Connaught Road Central

Hong Kong

## REGISTERED OFFICE

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Grand Cayman, KY1-1104

Cayman Islands

## HEADQUARTERS

10th Floor, Building No. 4

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Zhongkang North Road

Futian District

Shenzhen

Guangdong Province

The PRC

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Central

Hong Kong



### PRINCIPAL SHARE REGISTRAR

Maples Fund Services (Cayman) Limited  
PO Box 1093, Boundary Hall  
Cricket Square  
Grand Cayman KY1-1102  
Cayman Islands

### HONG KONG BRANCH SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716, 17th Floor  
Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong

### PRINCIPAL BANKERS

China Guangfa Bank  
Shenzhen Branch, Binhai Sub-branch

China Merchants Bank  
Shenzhen Branch, Weisheng Building  
Sub-branch

Guangdong Huaxing Bank  
Shenzhen Branch

China Everbright Bank  
Shenzhen Futian Branch

### COMPANY'S WEBSITE

[www.cmge.com](http://www.cmge.com)

### STOCK CODE

0302



# FINANCIAL SUMMARY

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Revenue	763,034	1,233,336
Loss for the period	(644,254)	(241,051)
Loss for the period attributable to owners of the parent	(638,550)	(236,220)
Adjusted net loss <sup>(1)</sup>	(638,550)	(208,036)
Basic and diluted loss per Share (RMB)	(21.32) cents	(8.58) cents
Adjusted basic and diluted loss per Share (RMB) <sup>(1)</sup>	(21.32) cents	(7.56) cents

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Total assets	4,405,428	5,082,064
Total liabilities	1,164,805	1,186,144
Total equity	3,240,623	3,895,920

Note:

- "Adjusted net loss" is not defined under the HKFRS. It is defined by the Group as net loss attributable to owners of the parent excluding equity-settled share-based expense which is non-operating in nature. The adjusted net loss more closely reflects the Group's operating results, after excluding the above-mentioned non-operating item. "Adjusted basic and diluted loss per Share" are the Group's adjusted net loss divided by the weighted average number of Shares in issue during the six months ended 30 June 2024 and 2025.



# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

The revenue of the Group for the six months ended 30 June 2025 was RMB763.0 million, representing a year-on-year decrease of 38.1%. A net loss of RMB644.3 million was recorded for the Reporting Period. This includes the Group's write-off of prepayments for certain expired contracts, and the fair value losses on the Group's financial assets at fair value through profit or loss as the business operation of certain companies invested by the Group underperformed during the Reporting Period. Losses of RMB266.2 million in total was recorded for these two items.

The Group's self-developed flagship game, *Legend of Sword and Fairy: World* (仙劍世界), underwent substantial promotional marketing following its launch in February 2025. However, due to the emergence of various quality problems after the launch, its revenue performance during the Reporting Period fell short of expectations. This consequently led to a year-on-year decline in the Group's revenue from Mainland China during the Reporting Period compared with the same period in 2024, constituting the primary factor for the decrease in the Group's business income. The Group incurred substantial marketing expenses for *Chunqiu Mystery* (春秋玄奇), launched in January 2025, and *Legend of Sword and Fairy: World* (仙劍世界), released in February 2025, during the Reporting Period. The Group optimised and adjusted the manpower allocation for the development team of the game *Legend of Sword and Fairy: World* (仙劍世界) and other work positions, resulting in higher one-off staff redundancy expenses. This also constituted part of the primary reasons for the Group's loss.

Despite facing certain challenges during the Reporting Period, the Group optimised the manpower allocation for the development team of the game *Legend of Sword and Fairy: World* (仙劍世界), and the research and development costs for this project will decrease significantly. The Group designed a new version update plan and promotion strategy for the game *Legend of Sword and Fairy: World* (仙劍世界) after its launch, striving to reduce its marketing expenses. Meanwhile, during the Reporting Period, the Group launched several new games, including *Chunqiu Mystery* (春秋玄奇), *New Romance of the Three Kingdoms: The Legend of Cao Cao* (新三國志曹操傳), *Sanqian Huanshi* (三千幻世), and *Daily Life of Chat Group* (聊天群的日常生活), and released overseas versions of multiple games in overseas markets, including *Tauren-T GO* (牛頭人GO) and *Soul Land: Space and Time Reversal* (斗羅大陸:逆轉時空) launched in Hong Kong, Macau and Taiwan, *Fights Break Firmament: Wushuang* (斗破蒼穹:無雙) launched in Hong Kong, Macau, Taiwan, Singapore and Malaysia, and *Soul Land: Shrek Academy* (斗羅大陸:史萊克學院) launched in Vietnam, generating new revenue for the Group. For the six months ended 30 June 2025, the Group has recorded revenue from overseas business of RMB235.0 million, representing a year-on-year increase of 33.2% and accounting for 30.8% of the Company's revenue. Benefiting from revenue growth contributed by new game projects and the Group's ongoing efforts to reduce costs and enhance efficiency through effective integration and optimisation of personnel and projects, the Group achieved an operating net cash flow of RMB108.7 million during the Reporting Period. Meanwhile, relying on the Group's abundant game product reserve in the second half of 2025, multiple new games including *Naruto: Konoha Masters* (火影忍者:木葉高手), *Code: Dark Night Legend* (代號:暗夜傳奇), *New Rakshasa Street* (新鎮魂街), *Code: Xian* (代號:仙) and *Code: Legend* (代號:傳說) are planned to be launched in the second half of 2025, and the Group's operating business is expected to turn the corner in the second half of 2025.

The following table sets forth the key performance indicators, namely, (i) average MAUs; (ii) average MPUs; (iii) ARPPU; and (iv) total new registered users of the Group for the periods indicated:

	For the six months ended 30 June	
	2025	2024
Average MAUs (thousands)	11,573	14,392
Average MPUs (thousands)	833	1,027
ARPPU (RMB)	152.7	200.2
Total new registered users (thousands)	42,824	47,297



### Global Publishing of IP Quality Games and Innovative Mini Games

During the Reporting Period, the Group launched a number of brand new IP quality games and innovative mini games in Mainland China and overseas. At the same time, several games already launched and in operation under the Group continued to maintain stable revenue performance. Regrettably, due to an inadequate response to market shifts, the revenue performance of certain newly launched games was unsatisfactory, which had a certain impact on the scale of the Group's publishing revenue during the Reporting Period. For the six months ended 30 June 2025, the Group's revenue from the publishing business amounted to RMB656.4 million.

#### Publishing of IP Quality Games in Mainland China

In April 2025, the Group launched a brand new pixelated Chinese animation strategic card RPG, *Sanqian Huanshi* (三千幻世). As a culmination spanning the "golden decade" of Chinese animation, the game is built on official licenses from Tencent's WeComics and brings together thirteen nationally popular Chinese animation IPs, including *The Fox Spirit Matchmaker* (狐妖小紅娘), *Zombie Brother* (屍兄) and *Once Upon a Time in Lingjian Mountain* (從前有座靈劍山). Centered on pixel art and strategic card mechanics, it delivers an immersive experience that balances sentiment with innovation. In the first month of its launch, *Sanqian Huanshi* (三千幻世) ranked first on the Top Free Game List of Apple's App Store, first on TapTap's Popular List and first on TapTap's New Releases List. However, due to the low efficiency of *Sanqian Huanshi* (三千幻世) in converting paying users, the marketing and promotion expenses were not recouped in a timely manner, resulting in the game's revenue performance during the Reporting Period not meeting expectations.

The Group's mobile game *Daily Life of Chat Group* (聊天群的日常生活), adapted from *Cultivation Chat Group* (修真聊天群), was officially launched in May 2025. Following its launch, the game's revenue performance did not meet expectations. The Group will continue to work with the co-developer to carry out ongoing updates to the game, and adjust advertising and promotion strategies in a timely manner in response to market changes to increase the rate of return.

Licensed by Koei Tecmo Games Co., Ltd., a strategic miniatures mobile game *New Romance of the Three Kingdoms: The Legend of Cao Cao* (新三國志曹操傳) was officially launched in Mainland China on 27 June 2025 by the Group. The game brings back, in the form of an officially licensed title, the vast-map battlefields and highly flexible strategic gameplay that once impressed countless players. Since its launch, *New Romance of the Three Kingdoms: The Legend of Cao Cao* (新三國志曹操傳) has recorded a relatively steady market performance and player feedback, receiving particularly positive reviews from its core target user group. In the first month of its launch, the game maintained a rating of 8 out of 10 on TapTap and approximately 4.5 out of 5 on Huawei AppGallery, representing a high standard of performance. It received over 6,000 player reviews with a stable rating of 4.8 out of 5 and ranked third in the Strategy Game List on the Apple App Store.

#### Publishing of Innovative Mini Games in Mainland China

The innovative mini-games business segment is an important business growth driver of the Group in 2025. In January 2025, the Group published a new mini game *Chunqiu Mystery* (春秋玄奇), which ranked 24th in the Best Selling List of WeGame in the first month of its launch, raced to 10th in the second month and its ranking continued to rise. Its payment retention rate significantly outperformed that of the same types of products. *Chunqiu Mystery* (春秋玄奇) achieved cumulative gross billing exceeding RMB100 million within three months of its launch and its revenue performance has surpassed expectations. The Group has also spared no effort in marketing and promoting *Chunqiu Mystery* (春秋玄奇). The substantial promotional expenditure incurred for *Chunqiu Mystery* (春秋玄奇) during the Reporting Period is expected to be gradually recouped within 2025, contributing considerable returns to the Group.

The innovative mini games previously published by the Group, including *Battle of Ling Xiao* (凌霄戰紀), *Smash* (消個錘子) and *The National Gunlord – The Frontier* (全民槍神: 邊境王者), have maintained steady operations, and together with other innovative mini games previously launched, continue to contribute profits to the Group.



### Overseas Publishing of Games

In January 2025, the mini game *Tauren-T GO* (牛頭人GO) published by the Group was officially launched in Hong Kong, Macau, Taiwan, Singapore and Malaysia, and surged to No.1 on the Top Free Game List of Apple's App Store in Hong Kong, Taiwan and Singapore in 4 days after its launch. It is also the overseas version of *Smash* (消個錘子), the Group's innovative mini game launched in Mainland China. Regrettably, despite achieving an outstanding ranking, the game encountered difficulties with overseas players' payment practices following its overseas release, resulting in a lower-than-expected user lifetime value (LTV) and no profit contribution to the Group during the Reporting Period.

Officially licensed by China Literature Limited and developed by Shenzhen EZfun Interactive Technology Co., Ltd., a developer in which the Group invested, the faithfully recreated *Dynasty Warriors* type action mobile game *Fights Break Firmament: Wushuang* (斗破蒼穹:無雙), published by the Group, has received an enthusiastic response from users since its official launch on 9 April 2025 in Hong Kong, Macau, Taiwan, Singapore and Malaysia (the "Hong Kong, Macau, Taiwan, Singapore and Malaysia region"). In the first month of its launch, the game ranked first on the Top Free Game List of Apple's App Store in Taiwan and Hong Kong, and achieved No. 28 on the Best Selling Game List in Taiwan and No. 41 in Hong Kong on the Apple App Store, with gross billings performing well to date. The success of this game once again demonstrates that the top-tier IP *Fights Break Firmament* not only has high popularity in Mainland China, but also commands strong market appeal and commercial potential in the Chinese-speaking markets such as Hong Kong, Macau, Taiwan, Singapore and Malaysia.

In March 2025, the Group granted a company under Shanghai Lingmu Network Technology Co., Ltd. (上海靈木網絡科技有限公司) the rights to publish *Soul Land: Shrek Academy* (斗羅大陸:史萊克學院) in Vietnam. In the first month of its launch, the game ranked first in the Top Free Game List and ninth in the Best Selling Game List on Apple's App Store, and ranked second in the Top Free Game List and 15th in the Best Selling Game List on the Google Play Store, respectively, in Vietnam, achieving remarkable performance. Developed by Love Games (Shanghai) Internet Technology Co., Ltd. (樂府互娛(上海)網絡科技有限公司) ("Love Games"), a developer in which the Group invested, the mobile game *Soul Land: Space and Time Reversal* (斗羅大陸:逆轉時空), adapted from the *Soul Land* (斗羅大陸) IP, was

published in Hong Kong, Macau and Taiwan by Taiwan Game Tree Limited Company in May 2025 under license from the Group. In the first month of its launch, the game ranked first on the Top Free Game List and No. 19 on the Best Selling Game List of Apple's App Store in Taiwan, and ranked No. 3 on the Top Free Game List and No. 9 on the Best Selling Game List of Apple's App Store in Hong Kong, achieving excellent results.

For the six months ended 30 June 2025, the Group has recorded revenue from overseas business of RMB235.0 million, representing a year-on-year increase of 33.2% and accounted for 30.8% of the Group's revenue.

### Long-term Operation of Games

Formulating reasonable long-term operation plans for game products is an effective strategy for the Group to generate profit over the long term. The IP quality game *One Piece: The Road of the Strong* (航海王強者之路) has been in operation for over nine years, while the innovative mini game *The National Gunlord – The Frontier* (全民槍神:邊境王者) has been in operation for over six years. Multiple IP quality games, including *Legend of Sword and Fairy: Wen Qing* (新仙劍奇俠傳之揮劍問情), *One Piece: The Voyage* (航海王熱血航線) and *Dynasty Warriors: Hegemony* (真·三國無雙霸), as well as innovative mini games such as *Battle of Ling Xiao* (凌霄戰紀), are all being operated steadily, and continued to contribute revenue and profit to the Group in 2025.

### Self-Development of Games

*Legend of Sword and Fairy: World* (仙劍世界), the Group's self-developed game, did not meet expectation since its launch in February 2025. The development of *Legend of Sword and Fairy: World* (仙劍世界) commenced in 2021 and spanned over three years, representing the Group's most significant self-developed project with substantial investment of both capital and effort. Despite undergoing multiple rounds of testing and optimisation, the game exhibited quality deficiencies upon launch, including excessive scale, low graphical fidelity, and inadequate in-game user guidance. Consequently, post-launch revenue fell significantly short of expectations, resulting in substantial financial losses for the Group. In response to the failure of *Legend of Sword and Fairy: World* (仙劍世界), the Group has undertaken a thorough review and promptly implemented organisational restructuring and personnel optimisation for the *Legend of Sword and Fairy: World* (仙劍世界) project to reduce development costs. Meanwhile, a new



## MANAGEMENT DISCUSSION AND ANALYSIS

project lead has been appointed to redesign the in-game commercial model, thereby maximising the collection of initial development investments. Although the Group has incurred substantial research and development costs as well as marketing expenses for *Legend of Sword and Fairy: World* (仙劍世界), and the redundancy expenses arising from workforce optimisation have adversely affected the Group's performance, these one-off expenses will not exert a persistent negative impact on the Group's financial position in future years. Following the handover of the game *Legend of Sword and Fairy: World* (仙劍世界) to the new research and development team, nearly 20 version updates have been completed. The Group shall maintain the scheduled adjustment and optimisation and publication plan of versions to guarantee steady operations while striving to enhance the game's revenue. Concurrently, the Group has further strengthened risk control mechanisms for project initiation decisions and project budget control mechanisms within its corporate governance framework, ensuring more effective internal decision-making and control mechanisms. Following the failure of *Legend of Sword and Fairy: World* (仙劍世界), the Group will draw upon lessons learned to strengthen its foundations in areas of business expertise, identify new market opportunities keenly, and seek a balance between risk and reward.

The dynasty-themed strategic mobile game *World of Castellan* (城主天下) was self-developed by Wenmai Hudong, a wholly-owned subsidiary of the Group, and was exclusively published by 37 Interactive Entertainment in the Mainland China market. The overseas version of the game *World of Castellan* (城主天下), *Three Kingdoms: Heroes of the Land* (三國·群英燎原), was exclusively published by Hangzhou Wanxinbuzhi Network Technology Co., Ltd. (杭州玩心不止網絡科技有限公司) ("Wanxinbuzhi"). It was officially released in Hong Kong, Macau, Taiwan, Singapore and Malaysia on 31 July 2025, and ranked first on the Apple App Store Free Game List in Taiwan in the first month of its launch. As a strategic game set in the Three Kingdoms period, *Three Kingdoms: Heroes of the Land* (三國·群英燎原) will serve as a long-term overseas operation project for the Group.

The Group conducted multiple game running tests for a new self-developed legendary game *Code: Dark Night Legend* (代號:暗夜傳奇) by Wenmai Hudong during the Reporting Period prior to its launch. To establish the game's quality as a benchmark among similar products, the development team extended the period for adjustment and optimisation

and strived to offer players a perfect user experience. Therefore, the game will be postponed to be launched until the second half of 2025. The Group believes the game will not only continue the market performance of its predecessor, *The World of Legend – Thunder Empire* (傳奇世界之雷霆霸業), but will also achieve new breakthroughs in multiple dimensions such as player scale, revenue contribution and brand influence. It will become another outstanding self-developed product of Wenmai Hudong, providing strong support for the Group's continuous efforts in the research and development of self-developed games.

### *Legend of Sword and Fairy* (仙劍奇俠傳) IP Operation

The creation of "the *Legend of Sword and Fairy* (仙劍) IP universe" is a very important core task for the Group's IP licensing business segment. On the occasion of the 30th anniversary of *Legend of Sword and Fairy* (仙劍奇俠傳), a nationally beloved IP, the Group took this opportunity to vigorously launch numerous and various anniversary series of activities, covering games, films and television series, interactive entertainment, authorised products and physical derivatives, offering immersive online and offline experiences.

The Group has entered into a strategic partnership with Tencent's Penguin Pictures (企鵝影視) to co-produce an animated series of *Legend of Sword and Fairy 3* (仙劍奇俠傳三), which is going to be broadcasted on Tencent Video in 2025. The production of the animation series of *Legend of Sword and Fairy 4* (仙劍奇俠傳四), which will be jointly launched by Bilibili and the Group, has also begun. Meanwhile, the Group will once again collaborate with Bilibili to co-produce an animated adaptation of the classic game *Legend of Sword and Fairy 1* (仙劍奇俠傳一). The first original live-action films and television series named *Legend of Sword and Fairy: The Mortal World* (仙劍染歸塵) is in preparation. This brand new story was adapted from *Legend of Sword and Fairy* (仙劍奇俠傳) and set within the game's worldview for the first attempt. Another live-action films and television series named *Legend of Sword and Fairy 2 Gaiden-Memories* (仙劍奇俠傳二外傳·憶如傳) is also in preparation, aiming to strategically tap the commercial potential of popular characters and bringing classic characters to shine under the spotlight again. *Legend of Sword and Fairy: The Mortal World* (仙劍染歸塵) and *Legend of Sword and Fairy 2 Gaiden-Memories* (仙劍奇俠傳二外傳·憶如傳) are expected to continue the popularity of the three new television dramas of *Legend of Sword and Fairy* (仙劍) that were launched in



early 2024, namely *Sword and Fairy: Youjian Xiaoyao* (又見逍遙), *Legend of Sword and Fairy 6: Qi Jinzhao* (仙劍六祈今朝) and *Legend of Sword and Fairy 4* (仙劍四), achieving the Group's long-term development in the film and television adaptation of IP. In June 2025, the Group forged a deep cooperation with ChineseAll (中文在綫) to co-produce a *Legend of Sword and Fairy* (仙劍奇俠傳) radio drama. Featuring an all-star voice cast and cinematic sound design technology, the series will retell the classic story with sound. It will be released exclusively on the "Rabbit U" radio-drama app. Simultaneously, *Legend of Sword and Fairy* (仙劍奇俠傳) IP is contributing to the creative evolution of traditional performing art repertoires. In June 2025, the Group teamed up with Shanghai's professional theatre SoundVenue (曉聚場) to develop a new Yue-opera adaptation of *Legend of Sword and Fairy* (仙劍奇俠傳), opening a fresh Sword and Fairy world through intangible cultural heritage and sharing its distinctive Eastern aesthetics with the public.

The novel of *Legend of Sword and Fairy 1* (仙劍奇俠傳一) jointly published by the Group and CITIC Press Corporation (中信出版集團股份有限公司) was officially released in January 2025. *Legend of Sword and Fairy 3* (仙劍奇俠傳三), *Legend of Sword and Fairy 3 Gaiden* (仙劍奇俠傳三外傳), *Legend of Sword and Fairy 5* (仙劍奇俠傳五), *Prequel of Legend of Sword and Fairy 5* (仙劍奇俠傳五前傳), *Legend of Sword and Fairy 6* (仙劍奇俠傳六) and two official original derivative works *Yao Tai Xue* (瑤台雪) and *Qiong Hua Hou Zhuan* (瓊華後傳), all of which are in creation stages, will also be released successively in 2025.

Continuous investment in the gaming business is the key to retaining the *Legend of Sword and Fairy* (仙劍) IP vigour. The development of *Legend of Sword and Fairy 4: Remake* (仙劍奇俠傳四重製版) is progressing orderly. The launched mobile games, *Legend of Sword and Fairy: The New Beginning* (仙劍奇俠傳:新的開始) and *Legend of Sword and Fairy: Wen Qing* (新仙劍奇俠傳之揮劍問情), will serve their user bases through abundant long-term operation activities. Following the renewal of the IP license for *Legend of Sword and Fairy: The New Beginning* (仙劍奇俠傳:新的開始), the Group has teamed up with Kaiying Network to secure a further licensing collaboration for a new card-based RPG adapted from *Legend of Sword and Fairy* (仙劍奇俠傳) IP. Development on this game is scheduled to begin in 2026.

The Group established a wide range of cooperation networks in relation to physical derivatives and commercial licensing, to develop new products derived from the *Legend of Sword and Fairy* (仙劍) IP in a continuous manner. In the first half of 2025, the Group and Suplay, a company specialising in fashion IP consumer products, jointly designed and initiated mini blind boxes of immortal life characterised by IP features and Chinese elements. The product with a cute cartoon-style design and the fun of blind draws has attracted many users to purchase.

In order to celebrate the 30th anniversary of *Legend of Sword and Fairy* (仙劍奇俠傳), the Group has initiated the "Meeting with Xian Jian (仙劍一面)" national touring animation exhibitions in 2025. During the year, more than ten large-scale offline events will be convened across the country, covering ten provinces with a total exhibition area of 50,000 square meters. In the first half of 2025, the Sword and Fairy 30th Anniversary Tour presented themed animation exhibitions successfully in Hefei, Anhui Province, Beijing, Hangzhou, Zhejiang Province, and other cities, offering fans immersive offline experiences. The tour is set to expand to more cities in the latter half of the year. As part of the anniversary celebrations, the Group partnered with Mochi Music (魔池音樂) to release a 30th anniversary physical album series, including a deluxe collector's edition set of *Legend of Sword and Fairy* (仙劍奇俠傳) original soundtrack, for fans collection.

For the six months ended 30 June 2025, the Group's licensing revenue generated from *Legend of Sword and Fairy* (仙劍奇俠傳) was RMB33.1 million, representing an increase of 134.8% compared to the same period in 2024.

#### Large-scale deployment of AIGC technology

The Group has consistently driven the adoption of artificial intelligence generated content ("AIGC") across game development, publishing, marketing and game operations, achieving measurable results. Generating marketing scripts, creative contents and promotional artwork through AIGC has become a routine part of every campaign. Meanwhile, the Group also implements the AIGC technology in game operations. Through the use of AI content engine, contents such as gameplay designs and event plans can be intelligently produced, significantly improving operational efficiency.



### Awards and Recognition

In May 2025, according to the *Notice of Publication of the List of Key Enterprises for National Cultural Export and Key Projects in 2025-2026* (《關於2025-2026年度國家文化出口重點企業和重點項目的公告》) issued by the Department of Trade in Services and Commercial Services, Ministry of Commerce of the PRC, the Group was once again successfully being selected as a national key enterprise for cultural export. As a global IP game operator, the Group emphasises the deep integration of excellent Chinese traditional culture into game research and operation as well as IP management, throughout its history. It consistently rolls out games based on Chinese cultural IPs with global spreading value. Since its selection as a Key Enterprise for National Cultural Export in 2021 and 2023, the Group's successful inclusion in the list again has demonstrated that its persistence in internationalising Chinese stories has garnered recognition and support from relevant departments. The Group will continue to proactively launch diversified cultural products, relentlessly promoting Chinese culture on a global scale.

The Group received the following awards and recognitions for the quality and popularity of its games and services:

Award/Recognition	Date of Award	Awarding Institution/Authority
National Key Enterprise for Cultural Export in 2025 (2025年度國家文化出口重點企業)	May 2025	Ministry of Commerce of the PRC
Outstanding ESG Information Disclosure Enterprise (ESG信息披露卓越企業)	July 2025	Gamma Data
Pioneer Award of Content Co-production (內容共創先鋒獎) <i>Fights Break Firmament: Peak Confrontation</i> (斗破蒼穹: 巔峰對決)	July 2025	Huawei Game Center
White Horse Award for 2025 Excellent and Leading Game Enterprise (2025年度強基領航遊戲企業「白馬獎」)	August 2025	Gamma Data
The Most Influential Enterprise in Intelligence Terminals (智能終端領域最具影響力企業)	August 2025	Intelligent Application and Cloud Services Branch of China Software Industry Association (Mobile Hardcore Alliance) (中國軟件協會智雲分會(硬核聯盟))
The Most Anticipated Game for Intelligence Terminals (智能終端年度最受期待遊戲) <i>Naruto: Konoha Masters</i> (火影忍者: 木葉高手)	August 2025	Intelligent Application and Cloud Services Branch of China Software Industry Association (Mobile Hardcore Alliance) (中國軟件協會智雲分會(硬核聯盟))



### Social Responsibility

The Group has always fulfilled its social responsibility in different dimensions. The Group's business does not have a significant impact on the environment. The Group has always adhered to the concept of environmental protection and integrated environmental protection and environmental management into its business decisions. The Group has established environmental, social and governance policies and procedures, and has incorporated the concept of sustainable development into its daily management to continuously enhance the environmental protection awareness of the employees of the Group. Through the implementation of paperless approval procedures and comprehensive use of web conferencing, the reduction of paper usage and the frequency of business travel, the Group has reduced carbon emissions and the impact of production and business operations on the natural environment. In July 2025, the Group was rated as "Outstanding ESG Information Disclosure Enterprise (ESG信息披露卓越企業)" by the Gamma Data.

The Group has also been actively involved in the cause of social welfare development, with a particular focus on the healthy learning and growth of youth. The Group has successively collaborated with China Population Welfare Foundation (中國人口福利基金會) and Lingshan Foundation (靈山基金會), and supported the "CMGE Dream Libraries (中手游築夢圖書館)" project for a long time to promote reading among the youth, and the operation of this project has been under steady implementation. From 2017 until now, thirteen "CMGE Dream Libraries (中手游築夢圖書館)" have been successively constructed in Yunan, Guangdong Province, Zhengding, Hebei Province, Meihekou, Jilin Province, Yangchun, Guangdong Province, Jishan, Shanxi Province, Luxi, Jiangxi Province, Huoqiu, Anhui Province, Enshi, Hubei Province, Jiyuan, Henan Province, Heyuan, Guangdong Province, Jizhou, Tianjin Province, Ji'an, Jiangxi Province, Huayuan, Hunan Province.

The Group actively promotes industry self-discipline, purifies the cyber environment and ensures the healthy growth of minors. The Group has successively participated in the research and preparation of four standards namely "Online Game Terminology (網絡遊戲術語)" Group Standards, "Game Age-Appropriate Prompt Specification (遊戲適齡提示規範)", "Game Enterprise Content Self-assessment Process Specification (遊戲企業內容自審流程規範)" and "Parental Monitoring Platform Specification (家長監護平台規範)", so as to contribute to the promotion and implementation of the industry standardisation. The Group also strictly follows the relevant national policies, and all published games are embedded with a real-name authentication system, an anti-addiction system and age limit reminders, striving to ensure the healthy growth of minors. In the first half of 2025, minor players under the age of 18 contributed less than 0.01% to the Group's revenue from games in China.



## OUTLOOK FOR THE SECOND HALF OF 2025

The Group stands firm on the development strategy of “business focus + cost control” against the current fierce competition in the industry and the challenges brought by the change in the external environment. Business focus means the Group will spare no effort in building core competitiveness, strengthening foundations in areas of business expertise, identifying new market opportunities keenly, and seeking a balance between risk and reward. The Group will focus on the area of publishing of innovative mini games, continue to seek opportunities of overseas business expansion. The Group will maintain its focus on the innovative mini-game publishing market, employing rapid selection and optimisation strategies to enhance the likelihood of successful mini-game launches. The Group will further deepen its presence in overseas markets, prioritising the expansion of publishing business in Hong Kong, Macau, Taiwan, Japan, South Korea and Southeast Asia markets. In terms of in-house development, the Group has drawn lessons from the failure of self-developed game *Legend of Sword and Fairy: World* (仙劍世界). The Group has consequently focused the research and development efforts on the legendary game genre, where it possesses proven success, while rigorously controlling development costs and enhancing the success rate of its self-developed projects. Meanwhile, the Group will explore the area of self-developed innovative mini games cautiously to seek opportunities of new market. Cost control refers to the Group’s continued efforts to strengthen oversight of research and development costs and administrative expenses, leveraging AI technology to enhance management efficiency and reduce expenditure across all areas. At the same time, the Group will continually review and strengthen its risk control mechanisms for project initiation decisions and its project budget control mechanisms, ensuring that internal decision-making and control systems will be more effective.

The table below sets forth the product reserves planned to be published by the Group in the second half of 2025:

Projects	Latest progress	Platform	Category	Publishing area	License
<i>Naruto: Konoha Masters</i> (火影忍者:木葉高手)	Launched	Mobile	Idle card	Mainland China	Obtained
<i>Code: Dark Night Legend</i> (代號:暗夜傳奇)	Fourth beta test	Mobile	Legendary	Mainland China	Application in progress
<i>New Rakshasa Street</i> (新鎮魂街)	Under development	Mini-game/Mobile	Idle card	Mainland China	Obtained
Code: <i>Xian</i> (代號:仙) (Originally Code C (代號C))	Under development	Mini-game	Card	Mainland China	Application in progress
Code: <i>Legend</i> (代號:傳說) (Originally Code D (代號D))	Under development	Mini-game	Card	Mainland China	Application in progress
<i>Soul Land: Space and Time Reversal</i> (斗羅大陸:逆轉時空)	Under development	Mobile	Role-playing game (RPG)	Southeast Asia	/
<i>Soul Land: Shrek Academy</i> (斗羅大陸:史萊克學院)	Under development	Mobile	Massive multiplayer online role-playing game (MMORPG)	Korea	/
<i>Dynasty Warriors: Hegemony</i> (真・三國無雙霸)	Under development	Mobile	Action game (ACT)	Japan	/
<i>Three Kingdoms: Heros of the Land</i> (三國・群英燎原) (Originally Code A (代號A))	Launched in Hong Kong, Macau and Taiwan	Mobile	Strategic	Hong Kong, Macau and Taiwan, Vietnam	/
<i>Three Kingdoms: Heros of the Land</i> (三國・群英燎原) (Originally Code B (代號B))	Under development	Mobile	Strategic	Korea	/



## Global Publishing of IP Quality Games and Innovative Mini Games

### Publishing of IP Quality Games in Mainland China

Exclusively published by the Group, *Naruto: Konoha Masters* (火影忍者:木葉高手) is an officially licensed and animated mobile game that launched in Mainland China in July 2025, which vividly presents the thrilling storylines, iconic characters and fantastic ninjutsu of the anime, *Naruto* (火影忍者), with exquisitely detailed visuals and free-flowing animations through mobile tools. In addition, it offers a completely new immersive experience by faithful recreation of the storylines, a new interpretation by the original voice actors and a cluster of all ninja characters. In the first month of its launch, *Naruto: Konoha Masters* (火影忍者:木葉高手) ranked first on the Top Free Game List of Apple's App Store. The Group's mobile game, currently under development based on the official IP license for *Code: DreamWorks All Stars* (代號:夢工場全明星) granted by Universal Studios, is planned to be completed and enter the testing phase within 2025.

### Publishing of Innovative Mini Games in Mainland China

Based on its well established publishing edge, following the launch of various mini games such as *The National Gunlord – The Frontier* (全民槍神:邊境王者), *Battle of Ling Xiao* (凌霄戰紀), *Smash* (消個錘子) and *My Lord, Don't Run* (主公別跑), the Group also launched the new mini game *Chunqiu Mystery* (春秋玄奇) in the first half of 2025, which achieved outstanding performance. *Chunqiu Mystery* (春秋玄奇) ranked 10th in the Best Selling List of WeGame at highest after its launch, its payment retention rate significantly outperformed that of the same types of products, achieved cumulative gross billing exceeding RMB100 million within three months of its launch and its revenue performance has surpassed expectations. The Group has spared no effort in marketing and promoting *Chunqiu Mystery* (春秋玄奇), the Group believes its return in 2025 will be considerable. The Group plans to launch a series of new mini games in the second half of 2025, to further promote growth in its mini-game publishing business. *Code: Xian* (代號:仙), originally named *Code: C* (代號C), is a mini game featuring fairy and hero theme. Its artistic style combines elements of "ink wash painting" and "Chinese civilisation" and is very popular among players in Mainland China. Similarly, *Code: Legend* (代號:傳說), originally named *Code: D* (代號D), is a simulation and management game. This genre enjoys a broad user

base as its lightweight design with each game session controlled within 20 minutes makes it highly appealing to casual WeChat players. In addition, the mini-game version of *New Rakshasa Street* (新鎮魂街) will be launched ahead of its APP version, serving as another flagship product in the Group's mini-game portfolio.

### Overseas Publishing of Games

*Soul Land: Space and Time Reversal* (斗羅大陸:逆轉時空), which is developed based on the *Soul Land* (斗羅大陸) IP by Love Games, a developer which the Group has invested in was launched in Mainland China in September 2024 and in Hong Kong, Macau and Taiwan in May 2025, all achieving excellent performance. The Group has planned to launch the game in Southeast Asia in October 2025 and believe the game, *Soul Land: Space and Time Reversal* (斗羅大陸:逆轉時空), will achieve great performance as usual.

The mobile game published by the Group, *Soul Land: Shrek Academy* (斗羅大陸:史萊克學院), which has been a knockout success in Mainland China, Hong Kong, Macau, Taiwan and overseas markets, was scheduled to be launched in Korea within 2025. In light of its well revenue performance in the past, the Group has confidence in its data performance in Korea.

The mobile game *Dynasty Warriors: Hegemony* (真·三國無雙霸) published by the Group, has achieved excellent performance successively in Mainland China, Hong Kong, Macau and Taiwan since its launch in 2021 and has obtained recognition among players. The Group has planned to launch the game in Japan in the second half of 2025, which will definitely bring players a brand-new experience.

### Self-Development of Games

The overseas distribution of *World of Castellan* (城主天下), a Three Kingdoms-themed strategy mobile game developed by Wenmai Hudong, is being published by Wanxinbuzhi. The overseas version, *Three Kingdoms: Heroes of the Land* (三國·群英燎原), was officially launched in Hong Kong, Macau, Taiwan, Singapore and Malaysia on 31 July 2025, and is scheduled for subsequent release in Vietnam and South Korea. Additionally, a brand new legendary game developed by Wenmai Hudong, *Code: Dark Night Legend* (代號:暗夜傳奇), has undergone multiple rounds of testing. Also exclusively published by Wanxinbuzhi, it is set to be officially launched within 2025. The gameplay of the game is in line with the previous successful game *The World*



## MANAGEMENT DISCUSSION AND ANALYSIS

of *Legend - Thunder Empire* (傳奇世界之雷霆霸業). The Group is confident that the game will not only continue the market performance of its predecessor, *The World of Legend - Thunder Empire* (傳奇世界之雷霆霸業), but will also achieve new breakthroughs in multiple dimensions such as user scale, revenue contribution and brand influence and become another outstanding self-developed product of Wenmai Hudong.

### *Legend of Sword and Fairy* (仙劍奇俠傳) IP Operation

Up to now, *Legend of Sword and Fairy* (仙劍) IP Matrix has covered games, comics, literature, content experience, real-scene entertainment, films and television series, animation, music, virtual idols, derivative products and other fields. Focusing on the future, the Group will create more high-quality content, reach young consumers who are interested in *Legend of Sword and Fairy* (仙劍) IP and Chinese-style elements by various channels, and continuously enhance the reputation of *Legend of Sword and Fairy* (仙劍奇俠傳) among young people and further enrich the users' interactive experience. With the joining of Guangzhou Chaojing Investment Co., Ltd (廣州超競投資有限公司) ("**Chaojing Group**"), *Legend of Sword and Fairy* (仙劍)'s business development in IP operation services, theme format planning and implementation, research and development and design of derivative are expected to accelerate, and both parties will help each other in the IP industry chain with close integration and mutual benefits.

The original live-action drama *Legend of Sword and Fairy* (仙劍) series, namely *Legend of Sword and Fairy: The Mortal World* (仙劍染歸塵) and *Legend of Sword and Fairy 2 Gaiden-Memories* (仙劍奇俠傳二外傳·憶如傳) have entered the preparation phase and will commence production shortly. *Legend of Sword and Fairy: The Mortal World* (仙劍染歸塵) and *Legend of Sword and Fairy 2 Gaiden-Memories* (仙劍奇俠傳二外傳·憶如傳) will build on the momentum of the three new *Legend of Sword and Fairy* (仙劍) television dramas released in early 2024, including *Sword and Fairy: Youjian Xiaoyao* (又見逍遙), *Legend of Sword and Fairy 6: Qi Jinzhao* (仙劍六祈今朝) and *Legend of Sword and Fairy 4* (仙劍四), thus reinforcing the Group's long-term strategy in IP-based film and television adaptations. The radio drama adaptation of *Legend of Sword and Fairy* (仙劍奇俠傳), co-produced by the Group and Rabbit U Platform (兔U平台), is currently under development and is scheduled for release within 2025.

*Legend of Sword and Fairy 3* (仙劍奇俠傳三), *Legend of Sword and Fairy 3 Gaiden* (仙劍奇俠傳三外傳), *Legend of Sword and Fairy 5* (仙劍奇俠傳五), *Prequel of Legend of Sword and Fairy 5* (仙劍奇俠傳五前傳), *Legend of Sword and Fairy 6* (仙劍奇俠傳六) and two official original derivative works *Yao Tai Xue* (瑤台雪) and *Qiong Hua Hou Zhuan* (瓊華後傳), all of which are in creation stages, will also be successively released.

AStation *Legend of Sword and Fairy XR* (AStation仙劍XR), an immersive interactive entertainment project of the Group in collaboration with Beijing Huanjin Digital Research Technology Co., Ltd. (北京幻景數研科技有限公司), will be launched in October 2025. The project, which will be available on Apple's Apple Vision Pro, eliminates traditional VR controllers in favor of gesture-based controls to deliver a novel sense of freedom and heightened immersion for players. Meanwhile, the Group has again partnered with Kingnet to launch a new *Legend of Sword and Fairy* (仙劍奇俠傳) game project, which is scheduled to enter the development phase in 2026.

To align with the development of the digital age, the Group has chosen to collaborate with Jingtian Technology (鯨探科技), a subsidiary of Ant Group, to jointly explore the digital presentation of IP assets. The two parties will jointly launch the *Legend of Sword and Fairy 30th Anniversary · Everlasting Martial World Commemorative Card* (仙劍三十周年·江湖長伴紀念卡), which aims to create new IP engagement touchpoints for users by transforming iconic characters and scenarios that embody the memories of countless players into digital collectible cards with collectible and interactive value.

The Group will collaborate with professional modeling institutions in the field of collectable statues to launch a series of high-quality merchandise with high collection value, such as limited edition statues and action figures. The Group have collaborated with Lightyear Studio (光年工作室) for the *Legend of Sword and Fairy 30th Anniversary Zhao Linger statue* (仙劍三十周年趙靈兒雕像), with STAREXVA Studio (Star Club) (STAREXVA工作室(星星社)) for the *Han Ling Sha* (韓菱紗) and *Liu Mengli* (柳夢璃) statues, and with Nottaa (非玩玩具) for articulated figurines of *Li Xiao Yao* (李逍遙) and *Zhao Linger* (趙靈兒) in cloth outfits. All collectibles will debut within 2025. While continuously launching premium physical products to meet the collector demands of fans, the Group is expanding offline channels through a partnership



with retail brand March Monster (三月獸). This collaboration drives the development of an all-dimensional immersive IP ecosystem, integrating *Legend of Sword and Fairy* (仙劍) culture into public life.

Following the tremendous success of and the enthusiastic fan response to the “Meeting with Xian Jian (仙劍一面)” national touring animation exhibitions initiated by the Group to celebrate the 30th anniversary of *Legend of Sword and Fairy* (仙劍奇俠傳) in the first half of 2025, the Group will continue to host the exhibitions in multiple cities across China during the second half of the year, further promoting the *Legend of Sword and Fairy* (仙劍) IP and its cultural influence. In July 2025, the exhibitions have already been successfully held in Shenzhen, Guangdong Province, Chengdu, Sichuan Province, and Nanning, Guangxi Province. Running throughout 2025, the themed exhibitions will continue to bring fans fresh and engaging offline experiences, culminating in a fitting finale to the Sword and Fairy 30th Anniversary celebrations.

The extensive and in-depth communication and collaboration between *Legend of Sword and Fairy* (仙劍) IP and its partners in multiple areas such as games, films and television series, interactive entertainment, licensed goods and physical derivatives indicates that the national IP *Legend of Sword and Fairy* (仙劍奇俠傳) has entered a new development stage, with more diversified value and ecological prosperity under the operation of the whole industrial chain. During the operation of *Legend of Sword and Fairy* (仙劍) IP, the Group will continue to integrate the *Legend of Sword and Fairy* (仙劍) IP with China's outstanding traditional culture, actively pioneering new pathways for cultural export.

### Web3 Strategy Layout

By breaking down the barriers between traditional finance and the digital-asset world, stablecoins have demonstrated enormous potential in boosting cross-border payment efficiency, lowering transaction costs, and enhancing financial inclusion. Consequently, they have become the central trend shaping the global Web3 ecosystem. Breakthroughs in key areas, including Real World Assets (“RWA”) and stablecoins, are strongly promoting the use of Web3 in large-scale commercial applications by bridging the concept chasm, which demonstrates their huge potential in reshaping asset values and technology landscapes.

The Group is in the process of accelerating the implementation of a series of strategic measures with milestone significance, including accelerating the implementation of the RWA tokenisation plan of the top IP, *Legend of Sword and Fairy* (仙劍奇俠傳), launching the Web3 aggregated payment tool and a decentralised Web3 e-sports gaming platform. Such strategic measures are aimed at grasping historic opportunities brought by Web3 policies in Hong Kong, leading a new paradigm for unlocking IP value and circulation model by Web3 technology, perfecting a Web3 aggregated payment system, expanding the global gaming ecosystem, and exploring a new growth curve for the Group.

The Group will systematically extend its IP value chains and global gaming ecosystem through the following three strategic initiatives.

#### I. Accelerating the Implementation of RWA Plan of the Top IP, *Legend of Sword and Fairy* (仙劍奇俠傳)

The Group is deeply engaged in the IP operation of *Legend of Sword and Fairy* (仙劍奇俠傳), of which long-term and abundant physical contents and commercial activities have demonstrated the commercial value of this super IP, with its overall brand value and huge fan base accumulated over the past 30 years. The Group will accelerate the implementation of the RWA plan of *Legend of Sword and Fairy* (仙劍奇俠傳) IP, so as to unearth its infinite vitality and commercial value.

#### II. Launching the Web3 Aggregated Payment Tool and Deeply Embedding the Group's Gaming Ecosystem and Overseas Business Scenarios

Based on the Group's profound experience in the game publishing field, the Group plans to launch a Web3 aggregated payment tool for aggregating payments in fiat currencies, global mainstream virtual currencies, and stablecoins (the issuance of which is regulated under the new legislation in Hong Kong). The Web3 aggregated payment tool will be deeply embedded in the Group's gaming ecosystem and overseas business scenarios. The optimised cross-border payment process based on Web3 technology will effectively shorten the settlement period and reduce settlement costs, thereby better supporting the development of overseas businesses of the Group and partners.



### III. Planning to Launch “KKFun Esports”, a Decentralised Web3 E-Sports Gaming Platform

To further enhance the Group’s overseas business development and layout in the Web3 gaming sector, the Group plans to launch a decentralised Web3 e-sports gaming platform named “KKFun Esports”. The platform is expected to be officially launched in overseas markets from the end of 2025 to the beginning of 2026. “KKFun Esports” is positioned as a Web3 e-sports gaming platform, enabling more users to join a new generation of decentralised Web3 e-sports platform with competitiveness, fairness, fun and security in a healthy way.

On 29 July 2025, the Group entered into a memorandum of cooperation with one of the first issuers selected for the Hong Kong Monetary Authority’s stablecoin sandbox pilot programme. The two parties will conduct integration testing for stablecoin payments. On 15 August 2025, the Group entered into a strategic cooperation with OSL Group, a globally leading compliant digital financial infrastructure platform. This collaboration aims to deeply integrate OSL Group’s advanced compliant virtual asset financial infrastructure capabilities with the Group’s extensive global IP-based gaming ecosystem to jointly promote the application of compliant stablecoin ecosystems. On 18 August 2025, the Group also established a strategic partnership with Pangu, a Singapore-based Web3 and AI gaming platform developer. The two parties will engage in an in-depth collaboration in the fields of Web3 payments and game promotion. Additionally, the collaboration will focus on promoting Pangu’s upcoming game *Cyber Crash*, facilitating the transition of players from Web2 to Web3, and conducting joint promotions within the Web3 player community. The partnership will also include extensive cooperative efforts centered around the launch of the Group’s upcoming Web3 e-sports platform, “KKFun Esports”.

The above several strategic collaborations represent key implementation of the Group’s Web3 strategy, aiming at capitalising on the market opportunities arising from Hong Kong’s new stablecoin regulations, which came into effect on 1 August 2025. By partnering early with a stablecoin sandbox pilot issuer in Hong Kong, the Group gains a first-mover advantage in developing its business within a compliant framework. Leveraging the issuer’s compliant network and mature technical infrastructure, the Group will further its overseas business while unlocking new possibilities in exploring a “Web3 payments + Web3 gaming” business model. The Group will serve as an important strategic partner of the stablecoin issuer in expanding application scenarios within the overseas gaming sector. Through this collaboration, both parties will jointly promote and broaden the use cases for stablecoin payments. This partnership carries significant long-term benefits. By integrating compliant stablecoins licensed under Hong Kong’s new regulatory framework, the security of the Group’s Web3 aggregated payment tool will be enhanced, better safeguarding user assets. Moreover, the low-cost and high-efficiency settlement features of stablecoins will substantially optimise payment experiences and fund flow efficiency for the Group’s global gaming operations, supporting its overseas business expansion.

The Group will continue to extend the development strategy of “global publishing of IP quality games and innovative mini games + self-development” and adhere to the proprietary IP operation of *Legend of Sword and Fairy* (仙劍奇俠傳) IP, focusing on improving the core competitiveness of the Group in the game industry and striving to be a prominent game company with a long-term growth. All members of the Group will always uphold the values of “integrity, transparency, honesty, in-depth thinking and long-termism (正直守信、透明坦誠、深度思考、長期主義)” and the mission of “creating quality products with passion (用熱愛鑄造精品)”, being a company that is full of passion and creativity! The Group will promote China’s wonderful traditional culture and socialist values, becoming a responsible practitioner and a promoter of cultural values.

The Company would like to thank all Shareholders and investors for your consistent support as always!



## INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

The following sets forth the unaudited condensed consolidated statement of profit or loss for the six months ended 30 June 2025 together with unaudited comparative figures for the six months ended 30 June 2024:

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Revenue	763,034	1,233,336
Cost of sales	(504,455)	(860,572)
<b>Gross profit</b>	<b>258,579</b>	<b>372,764</b>
Other income and gains, net	8,072	4,631
Selling and distribution expenses	(372,861)	(148,554)
Administrative expenses	(85,829)	(82,257)
Research and development costs	(93,908)	(110,173)
Impairment of financial assets, net	(52,291)	(62,859)
Other expenses		
- Impairment of goodwill	(11,524)	(16,844)
- Write-off of prepayments	(189,487)	(65,240)
- Fair value losses on financial assets at fair value through profit or loss	(76,728)	(59,099)
- Impairment of other intangible assets	—	(24,251)
- Others	(6,569)	(10,396)
Finance costs	(10,360)	(11,109)
Share of profits and losses of associates	(11,646)	2,780
<b>Loss before tax</b>	<b>(644,552)</b>	<b>(210,607)</b>
Income tax credit/(expense)	298	(30,444)
<b>Loss for the period</b>	<b>(644,254)</b>	<b>(241,051)</b>
<b>Attributable to:</b>		
Owners of the parent	(638,550)	(236,220)
Non-controlling interests	(5,704)	(4,831)
	<b>(644,254)</b>	<b>(241,051)</b>
<b>Adjusted net loss<sup>(1)</sup></b>	<b>(638,550)</b>	<b>(208,036)</b>

Note:

1. "Adjusted net loss" is not defined under the HKFRS. It is defined by the Group as net loss attributable to owners of the parent excluding equity-settled share-based expense which is non-operating in nature. The adjusted net loss more closely reflects the Group's operating results, after excluding the above-mentioned non-operating item.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Adjusted net loss

The table below sets forth a quantitative reconciliation of the Group's adjusted net loss for the periods indicated:

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Loss for the period attributable to owners of the parent	(638,550)	(236,220)
Add:		
Equity-settled share-based expense	—	28,184
<b>Adjusted net loss</b>	<b>(638,550)</b>	<b>(208,036)</b>

### Revenue

The Group derives its revenue from (i) the provision of game publishing services in relation to games developed by third parties; (ii) the licensing and publication of its in-house developed games; and (iii) the licensing of its proprietary IP to third parties. The table below sets forth the Group's revenue by category for the periods indicated:

	For the six months ended 30 June			
	2025		2024	
	RMB'000 (Unaudited)	%	RMB'000 (Unaudited)	%
Game publishing	656,364	86.0	999,925	81.1
Game development	73,193	9.6	126,330	10.2
IP licensing	33,477	4.4	107,081	8.7
<b>Total</b>	<b>763,034</b>	<b>100.0</b>	<b>1,233,336</b>	<b>100.0</b>



The Group's revenue decreased by 38.1% from RMB1,233.3 million for the six months ended 30 June 2024 to RMB763.0 million for the six months ended 30 June 2025. The decrease in revenue was primarily attributable to:

- (i) The Group's game publishing revenue decreased by 34.4% from RMB999.9 million for the six months ended 30 June 2024 to RMB656.4 million for the six months ended 30 June 2025. During the Reporting Period, the Group's newly launched mini game *Chunqiu Mystery* (春秋玄奇) delivered strong revenue performance and was well recognised by the market and players, and the Group successively launched flagship IP games including *Fights Break Firmament: Wushuang* (斗破蒼穹:無雙), *Soul Land: Shrek Academy* (斗羅大陸:史萊克學院) and *Soul Land: Space and Time Reversal* (斗羅大陸:逆轉時空) in overseas markets, leading to a significant increase in overseas revenue; however, the newly launched games *Sanqian Huanshi* (三千幻世) and *Daily Life of Chat Group* (聊天群的日常生活) did not achieve the expected revenue following their launch during the Reporting Period; although the new game *New Romance of the Three Kingdoms: The Legend of Cao Cao* (新三國志曹操傳), launched on 27 June 2025, attained favourable rankings on game lists, the time since its launch within the Reporting Period was too short to contribute material revenue during the Reporting Period; and the IP license for the previously successful game *The New Legend Of The Condor Heroes: Iron Blood and Loyal Heart* (新射雕群俠傳之鐵血丹心) had expired, by mutual agreement with the partner, operations were terminated in 2024, resulting in no revenue during the Reporting Period; the foregoing factors led to a decline in game publishing revenue;
- (ii) The Group's game development revenue decreased by 42.1% from RMB126.3 million for the six months ended 30 June 2024 to RMB73.2 million for the six months ended 30 June 2025. *Legend of Sword and Fairy: World* (仙劍世界), the self-developed game of the Group, has underperformed since its launch in February 2025, and there were no other self-developed games launched during the Reporting Period, resulting in a decrease in game development revenue; and
- (iii) The Group's IP licensing revenue decreased by 68.7% from RMB107.1 million for the six months ended 30 June 2024 to RMB33.5 million for the six months ended 30 June 2025. The Group actively operated the *Legend of Sword and Fairy* (仙劍奇俠傳) IP, and the licensing revenue of the *Legend of Sword and Fairy* (仙劍奇俠傳) IP increased by 134.8% from RMB14.1 million for the six months ended 30 June 2024 to RMB33.1 million for the six months ended 30 June 2025. The overall decline in IP licensing revenue compared with the same period last year was mainly due to a decrease in licensing revenue other than the *Legend of Sword and Fairy* (仙劍奇俠傳) IP.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Cost of sales

The Group's cost of sales consists primarily of (i) commissions charged by publishing channels and content providers ("CPs"); (ii) commissions charged by IP owners; and (iii) amortisation of CP licenses and IP licenses. The table below sets forth the Group's cost of sales by category, and its contribution to the total revenue of the Group as a percentage, for the periods indicated:

	For the six months ended 30 June			
	2025		2024	
	RMB'000 (Unaudited)	% to Revenue	RMB'000 (Unaudited)	% to Revenue
Commissions charged by publishing channels and CPs	389,675	51.1	683,585	55.4
Commissions charged by IP owners	26,382	3.5	67,417	5.5
Amortisation of CP licenses	14,172	1.8	22,925	1.9
Amortisation of IP licenses	29,559	3.9	51,709	4.2
Others	44,667	5.8	34,936	2.8
<b>Total</b>	<b>504,455</b>	<b>66.1</b>	<b>860,572</b>	<b>69.8</b>

The Group's cost of sales decreased by approximately 41.4% from RMB860.6 million for the six months ended 30 June 2024 to RMB504.5 million for the six months ended 30 June 2025. The decrease in cost of sales was primarily attributable to: (i) the decrease in the Group's overall game publishing and game development revenue has led to a corresponding decrease in commissions charged by corresponding channels and CPs, as well as the corresponding decrease in commissions charged by IP licensors which depend on game revenue; in addition, the Group's overseas business revenue recorded significant growth during the Reporting Period, and the commissions charged by overseas channels are lower than those in Mainland China, leading to a further decrease in the commissions charged by channels; and (ii) during the Reporting Period, most projects relating to the amortisation of IP licenses and projects of CP had already commenced amortisation in earlier years, and all IP licenses relating to *The New Legend Of The Condor Heroes: Iron Blood and Loyal Heart* (新射雕群俠傳之鐵血丹心) were fully amortised in 2024, resulting in a decrease in the amounts of amortisation of IP licenses and CP licenses compared with the same period in 2024.

### Gross profit and gross profit margin

As a result of the foregoing, the Group's gross profit decreased by 30.6% from RMB372.8 million for the six months ended 30 June 2024 to RMB258.6 million for the six months ended 30 June 2025. The Group's gross profit margin increased from 30.2% for the six months ended 30 June 2024 to 33.9% for the six months ended 30 June 2025. During the Reporting Period, the Group's overseas business revenue increased substantially; as the commissions charged by overseas channels are lower than those in Mainland China, the commissions charged by channels decreased significantly compared with the same period in 2024, resulting in an increase in the gross profit margin for the Reporting Period compared with the same period last year.



### Other income and gains, net

The Group's other income and gains consist primarily of (i) bank interest income; (ii) government grants; and (iii) foreign exchange gains. The table below sets forth the Group's other income and gains by category for the periods indicated:

	For the six months ended 30 June			
	2025		2024	
	RMB'000 (Unaudited)	%	RMB'000 (Unaudited)	%
Bank interest income	137	1.7	1,047	22.6
Government grants	3,203	39.7	2,171	46.9
Foreign exchange gains	2,578	31.9	—	—
Others	2,154	26.7	1,413	30.5
<b>Total</b>	<b>8,072</b>	<b>100.0</b>	<b>4,631</b>	<b>100.0</b>

The Group's other income and gains increased by 74.3% from RMB4.6 million for the six months ended 30 June 2024 to RMB8.1 million for the six months ended 30 June 2025. The increase was primarily attributable to an increase in government grants received by the Group during the Reporting Period compared with the same period last year.

### Selling and distribution expenses

The Group's selling and distribution expenses consist primarily of (i) marketing expenses; and (ii) salaries and benefits for its sales and marketing team. The table below sets forth the Group's selling and distribution expenses by category and its contribution to the total revenue of the Group as a percentage for the periods indicated:

	For the six months ended 30 June			
	2025		2024	
	RMB'000 (Unaudited)	% to Revenue	RMB'000 (Unaudited)	% to Revenue
Marketing expenses	364,282	47.7	136,027	11.0
Salaries and benefits	7,555	1.0	11,044	0.9
Office costs and utilities	553	0.1	629	0.0
Others	471	0.1	854	0.1
<b>Total</b>	<b>372,861</b>	<b>48.9</b>	<b>148,554</b>	<b>12.0</b>



## MANAGEMENT DISCUSSION AND ANALYSIS

The Group's selling and distribution expenses increased by 151.0% from RMB148.6 million for the six months ended 30 June 2024 to RMB372.9 million for the six months ended 30 June 2025. The Group actively controlled the cost of sales-related personnel and implemented cost reduction and efficiency improvement measures, resulting in a decrease in related salaries and benefits. The increase in selling and distribution expenses was primarily attributable to: (i) the launch of the new game *Legend of Sword and Fairy: World* (仙劍世界) in February 2025, which incurred significant game marketing and promotion expenses before and after its launch; and (ii) the Group's marketing and promotion for a number of new games, including *Chunqiu Mystery* (春秋玄奇), *Sanqian Huanshi* (三千幻世) and *New Romance of the Three Kingdoms: The Legend of Cao Cao* (新三國志曹操傳), which were launched during the first half of 2025, as well as for a number of games, including *Tauren-T GO* (牛頭人 GO) and *Fights Break Firmament: Wushuang* (斗破蒼穹:無雙), which were launched in overseas markets.

### Administrative expenses

The Group's administrative expenses consist primarily of (i) salaries and benefits; and (ii) office costs and utilities. The table below sets forth the Group's administrative expenses by category and its contribution to the total revenue of the Group as a percentage for the periods indicated:

	For the six months ended 30 June			
	2025		2024	
	RMB'000 (Unaudited)	% to Revenue	RMB'000 (Unaudited)	% to Revenue
Salaries and benefits	61,706	8.1	56,320	4.6
Office costs and utilities	23,434	3.0	25,719	2.1
Others	689	0.1	218	0.0
<b>Total</b>	<b>85,829</b>	<b>11.2</b>	<b>82,257</b>	<b>6.7</b>

The Group's administrative expenses increased by 4.3% from RMB82.3 million for the six months ended 30 June 2024 to RMB85.8 million for the six months ended 30 June 2025. The increase was mainly due to the reorganisation and downsizing of the development team for the game *Legend of Sword and Fairy: World* (仙劍世界), resulting in one-off staff redundancy expenses. Hence, the salaries and benefits have increased by 9.6% from RMB56.3 million for the six months ended 30 June 2024 to RMB61.7 million for the six months ended 30 June 2025. However, there is a decrease of office-related expenses and utilities as a result of the Group's proactive cost-saving measure.



## Research and development costs

The Group's research and development costs consist primarily of (i) salaries and benefits for research and development department; (ii) production costs; and (iii) office costs and utilities. The table below sets forth the Group's research and development costs by category and its contribution to the total revenue of the Group as a percentage for the periods indicated:

	For the six months ended 30 June			
	2025		2024	
	RMB'000 (Unaudited)	% to Revenue	RMB'000 (Unaudited)	% to Revenue
Salaries and benefits	68,213	8.9	63,540	5.1
Production costs	15,091	2.0	27,194	2.2
Office costs and utilities	7,477	1.0	9,847	0.8
Others	3,127	0.4	9,592	0.8
<b>Total</b>	<b>93,908</b>	<b>12.3</b>	<b>110,173</b>	<b>8.9</b>

The Group's research and development costs decreased by 14.8% from RMB110.2 million for the six months ended 30 June 2024 to RMB93.9 million for the six months ended 30 June 2025. The decrease was primarily attributable to: (i) completion of research and development of the game, *Legend of Sword and Fairy: World* (仙劍世界), during the year 2024, and the game was launched in February 2025. During the Reporting Period, the outsourcing production costs relating to the game decreased significantly, which have resulted in the decrease in production costs by 44.5% from RMB27.2 million for the six months ended 30 June 2024 to RMB15.1 million for the six months ended 30 June 2025; and (ii) early withdrawal of the office space relating to *Legend of Sword and Fairy: World* (仙劍世界) during the Reporting Period has resulted in a slight decrease in office costs and utilities when compared to the same period in 2024.



### Impairment of financial assets, net

The Group's asset impairment loss refers to the impairment loss on financial assets of trade receivables, other receivables and other assets. According to the relevant management policies under HKFRS 9, the impairment loss on financial assets recorded by the Group decreased by 16.8% from RMB62.9 million for the six months ended 30 June 2024 to RMB52.3 million for the six months ended 30 June 2025. The Group maintained close communication with its counterparties and urged them to settle the relevant amounts, as a result of which part of the trade receivables from prior years was recovered during the Reporting Period. During the same period in 2024, the Group recognised impairment provisions in respect of certain pending legal disputes, the Group also actively urged the defendants to fulfill their obligations as soon as possible to protect the Group's legitimate rights and interests.

### Other expenses

The Group's other expenses increased by approximately 61.7% from RMB175.8 million for the six months ended 30 June 2024 to RMB284.3 million for the six months ended 30 June 2025. The increase was primarily attributable to: (i) the write-off of prepayments of approximately RMB189.5 million relating to games and IP licenses that failed to be launched as scheduled or whose contracts expired; (ii) certain investee enterprises of the Group did not achieve the expected revenue during the Reporting Period due to a combination of adverse factors, including intensified market competition, increased difficulty in product innovation and weak consumer demand; based on assessments by an independent third-party valuation institution, the Group recognised fair value losses of RMB76.7 million on financial assets at fair value through profit or loss; and (iii) Wenmai Hudong underperformed and recorded a loss during the Reporting Period, and the Group recognised goodwill impairment of approximately RMB11.5 million in respect of Wenmai Hudong.

### Finance costs

The Group's finance costs mainly consist of interest expenses, which decreased by 6.7% from RMB11.1 million for the six months ended 30 June 2024 to RMB10.4 million for the six months ended 30 June 2025, mainly due to a decrease in total bank and other borrowings of the Group compared to the same period in 2024, leading to a decrease in interest expenses.

### Share of profits and losses of associates

As at 30 June 2025, the Group held minority equity interests in several associates. The Group's share of profits and losses of associates turned from a profit of RMB2.8 million for the six months ended 30 June 2024 to a loss of RMB11.6 million for the six months ended 30 June 2025. It was primarily attributable to the Group's share of loss of Shenzhen Zhichengqianli Investment Enterprise (Limited Partnership) (深圳市志成千里投資企業(有限合夥)) of RMB8.3 million and share of loss of Shanghai Fengguo Network Technology Co., Limited (上海蜂果網絡科技有限公司) of RMB3.6 million.

### Loss before tax

As a result of the foregoing, the Group's loss before tax increased from a loss of RMB210.6 million for the six months ended 30 June 2024 to a loss of RMB644.6 million for the six months ended 30 June 2025.

### Income tax credit/expense

The Group's income tax credit/expense turned from an expense of RMB30.4 million for the six months ended 30 June 2024 to a credit of RMB0.3 million for the six months ended 30 June 2025. It was mainly because the Group recognised deferred income tax credit of RMB13.0 million.

### Loss for the period

As a result of the foregoing, the Group's loss for the period increased from a loss of RMB241.1 million for the six months ended 30 June 2024 to a loss of RMB644.3 million for the six months ended 30 June 2025.



## LIQUIDITY AND FINANCIAL RESOURCES

The Group adopts a prudent treasury management policy to ensure that the Group maintains a healthy financial position. During the Reporting Period, the Group funded its cash requirements principally from cash generated from its operating activities and financing activities. The Group had cash and cash equivalents of approximately RMB133.3 million and RMB101.8 million as at 30 June 2025 and 31 December 2024, respectively. For the purpose of the interim condensed consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. For the purpose of the interim condensed consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits and assets similar in nature to cash which are not restricted as to use.

The Group generally deposits its excess cash in its interest-bearing bank accounts and current accounts. The Group believes that its liquidity requirements will be satisfied by using a combination of (i) cash generated from its operating activities; (ii) bank and other borrowings; (iii) other funds raised from the capital markets from time to time; and (iv) the net proceeds received from the subscription of new shares by Infini Global Master Fund, Farrich Investments Limited and Actoz Soft Hong Kong Limited completed on 22 October 2024 (the "Subscription").

As at 30 June 2025, the current assets of the Group amounted to approximately RMB1,270.8 million, and the current liabilities of the Group amounted to approximately RMB1,108.4 million.

As at 30 June 2025, the current ratio (being the current assets divided by current liabilities as at the end of each period) of the Group was 1.15 times compared with 1.44 times as at 31 December 2024.

As at 30 June 2025, the gearing ratio (being the total debt divided by total equity as at the end of each period) of the Group was 13.6% compared with 13.2% as at 31 December 2024, which was relatively stable.

## Indebtedness

During the Reporting Period, the Group obtained bank and other borrowings of RMB220.4 million and repaid bank borrowings of RMB293.3 million.

As at 30 June 2025, the Group had bank and other borrowings of RMB439.9 million which are denominated in Renminbi (31 December 2024: RMB512.8 million). The effective interest rates on the Group's unsecured bank loans of RMB397.9 million (31 December 2024: RMB462.0 million) and unsecured other loans of RMB34.3 million (31 December 2024: RMB22.0 million) range from 1.6% to 5.5% and 0% to 5.0% respectively. The Group's secured bank loans of RMB7.7 million (31 December 2024: RMB28.8 million) were interest free and were secured by the Group's bills receivables of RMB7.7 million (31 December 2024: RMB28.8 million) as at 30 June 2025.

As at 30 June 2025, the lease liabilities of the Group were RMB13.5 million (31 December 2024: RMB22.5 million).

## Financial assets at fair value through profit or loss

The Group's financial assets at fair value through profit or loss as at 30 June 2025 have decreased compared to 31 December 2024. The decrease was mainly attributable to the unrealised fair value losses of approximately RMB76.7 million recognised mainly for unlisted equity investments, the disposal of an unlisted equity investment of approximately RMB14.2 million and an acquisition of an unlisted equity investment of approximately RMB49.8 million during the Reporting Period. As at 30 June 2025, the Group's financial assets at fair value through profit or loss mainly include listed equity investments, unlisted equity investments and convertible loans, representing 3.2%, 73.5% and 23.3% of financial assets at fair value through profit or loss, respectively. As at 30 June 2025, the Group has invested in approximately 20 companies, the business nature of which is mainly game development. The Group regularly appoints professional independent valuers to evaluate the fair value of unlisted investments, including financial assets classified as Level 2 and Level 3 of the fair value hierarchy. The fair values of the unlisted investments have been estimated by using various applicable valuation techniques, including the discounted cash flow approach, adjusted net assets value method and other pricing models.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Prepayments

As at 30 June 2025, prepayments of the Group amounted to approximately RMB1,114.2 million, which has decreased by 18.5% compared with 31 December 2024. The prepayments mainly included prepaid license fees (non-current) of approximately RMB567.6 million, prepaid minimum guarantee (current) of approximately RMB419.3 million, prepaid investment cost of approximately RMB99.5 million and other prepayments of approximately RMB27.8 million. The underlying contracts for such prepayments for license fees and minimum guarantee have been made with more than 40 renowned enterprises worldwide which represent more than 40 operating or developing games and will be amortised monthly after the game development is completed and officially launched. Prepaid investment costs represent the investment costs arising from the Group's investment in Shanghai Zhongwo Culture Communication Co., Ltd. (上海眾沃文化傳播有限公司) ("Shanghai Zhongwo") in 2024, a MCN organisation which has abundant talent resources and was owned by Chaojing Group. The investment was completed on 23 July 2025. The Group holds 19.9% equity interests in Shanghai Zhongwo following the completion of the investment.

### Off-balance sheet commitments and arrangements

As at 30 June 2025, the Group did not enter into any off-balance sheet transactions (31 December 2024: Nil).

### Pledge of assets

As at 30 June 2025, the Group had pledged bills receivables with carrying amount of approximately RMB7.7 million (31 December 2024: RMB28.8 million) to secure the Group's bank loans of RMB7.7 million (31 December 2024: RMB28.8 million).

Save as disclosed above, the Group did not have any charges on its assets as at 30 June 2025.

### Capital expenditures

The Group's historical capital expenditures primarily included royalties paid to game developers and IP owners. The Group funded its capital expenditure requirements during the six months ended 30 June 2025 mainly with its internal resources.

The Group's capital commitments as at 30 June 2025 and 31 December 2024 amounted to RMB104.7 million and RMB134.1 million, respectively. The Group's capital commitments as at 30 June 2025 was primarily for the purchase of IP and game licenses.

## SIGNIFICANT INVESTMENTS AND MATERIAL ACQUISITIONS OR DISPOSAL

During the six months ended 30 June 2025, and up to the date of this report, the Group did not make any significant investment, or perform any material acquisition or disposal of subsidiaries, associates and joint ventures.

## FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group will continue to focus on its existing business and will apply the net proceeds from the Subscription as set out in the relevant announcements dated 13 October 2024 and 22 October 2024. The Group did not have concrete plans for material investments or capital assets as at 30 June 2025.



## USE OF PROCEEDS FROM THE SUBSCRIPTION OF NEW SHARES BY INFINI GLOBAL MASTER FUND, FARRICH INVESTMENTS LIMITED AND ACTOZ SOFT HONG KONG LIMITED

The net proceeds from the Subscription was approximately HK\$94.2 million after deducting related fees and expenses in connection with the Subscription. The Company has applied the net proceeds in the manner as set out in the Company's announcements dated 13 October 2024 and 22 October 2024. The amount of net proceeds brought forward from the previous financial year to the current financial year is HK\$89.0 million.

The table below sets forth (i) the amount of net proceeds utilised by the Company between the completion of the Subscription and 30 June 2025; (ii) the amount of unutilised net proceeds of the Company as at 30 June 2025; and (iii) the expected timeline of the Company for the full utilisation of the remaining unutilised net proceeds:

Purpose	Amount of the net proceeds (HK\$ in millions)	Amount of net proceeds utilised between the completion of the Subscription and 30 June 2025 (HK\$ in millions)	Amount of unutilised net proceeds as at 30 June 2025 (HK\$ in millions)	Expected timeline for the full utilisation of the remaining unutilised net proceeds
Further enhance IP-based game publishing and development business through acquisitions and/or investments	94.2	25.0	69.2	Before 30 June 2026

The Company will continue to evaluate the situation and adopt a prudent and flexible approach when utilising its net proceeds from the Subscription for the long-term benefit and development of the Group. The current expected timeline for using the unutilised net proceeds from the Subscription is based on the Directors' best estimation barring unforeseeable circumstances, and is subject to change based on the future development of market conditions. Should there be any material change in the intended usage of the net proceeds from the Subscription, the Company will publish an announcement as and when appropriate.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2025, the Group had not purchased, sold or redeemed any of the Company's listed securities.

## FOREIGN CURRENCY RISK

The Group has transactional currency exposures, which arise from sales or purchases by operating units in currencies other than the units' functional currencies.

As at 30 June 2025, the Group does not engage in hedging activities designed or intended to manage foreign exchange rate risk. The Group will continue to monitor foreign exchange changes to best preserve the Group's cash value.



## OTHER INFORMATION

### DIVIDENDS

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

### CHANGE IN INFORMATION IN RESPECT OF DIRECTORS

Mr. Sin Hendrick *M.H., J.P.* has been appointed as Justice of the Peace by the Government of the Hong Kong Special Administrative Region, effective from 1 July 2025.

Save as disclosed above, there has been no change to any of the information required to be disclosed in relation to any Director pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules during the six months ended 30 June 2025 and up to the date of this report.

### CORPORATE GOVERNANCE PRACTICES

During the six months ended 30 June 2025, the Company had complied with the applicable code provisions of Part 2 of the CG Code except for a deviation from code provision C.2.1 of the CG Code. Pursuant to code provision C.2.1 of the CG Code, the roles of the chairman and the chief executive officer of a listed company should be segregated and should not be performed by the same individual. However, the Group does not have a separate chairman and chief executive officer and Mr. Xiao Jian currently performs these two roles. The Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board currently comprises three executive Directors (namely Mr. Xiao Jian, Mr. Sin Hendrick *M.H., J.P.*, and Mr. Fan Yingjie), two non-executive Directors and three independent non-executive Directors, and therefore considers that it has a fairly strong independence element in its composition. The Board also considers that the balance of power and authority under the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider separating the roles of chairman of the Board and chief executive officer of the Company at a time when it is appropriate and suitable by taking into account the circumstances of the Company as a whole.



## **DIRECTORS' DEALING IN SECURITIES TRANSACTIONS**

The Company has adopted the Model Code as its own code of conduct regarding dealings in the securities of the Company by the Directors, senior management members, and employees who, because of his/her office or employment, is likely to possess inside information in relation to the Group or the Company's securities.

All Directors have confirmed, following specific enquiry by the Company, that they have fully complied with the required standards set out in the Model Code throughout the period from 1 January 2025 to 30 June 2025.

## **DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES**

The Directors have confirmed that during the six months ended 30 June 2025, there had been no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

## **AUDIT COMMITTEE**

The Audit Committee has reviewed the Company's unaudited consolidated financial statements, the Company's interim results announcement for the Reporting Period dated 27 August 2025 and this interim report, including the accounting principles and practices adopted by the Group, and discussed with management regarding auditing, risk management and internal control, and financial reporting matters.

## **EMPLOYEES REMUNERATION AND RELATIONS**

As at 30 June 2025, the Group had approximately 346 full-time employees (30 June 2024: 837). The success of the Group depends on its ability to attract, retain and motivate qualified personnel. As part of the Group's human resources strategy, the Group offers employees competitive salaries, performance based promotion systems and other incentives. Some of the Group's employees have also been granted share options under the Post-IPO Share Option Scheme. The Group provides training programmes to employees, including new hire training for new employees and continuing technical training for the Group's research and development team and game operation team to enhance their skill and knowledge.



## OTHER INFORMATION

### POST-IPO SHARE OPTION SCHEME

On 20 September 2019, the Post-IPO Share Option Scheme of the Company was approved and adopted by the Shareholders. The Post-IPO Share Option Scheme shall be valid and effective for a period of ten years commencing on the Listing Date. The terms of the Post-IPO Share Option Scheme are governed by Chapter 17 of the Listing Rules. The purpose of the Post-IPO Share Option Scheme is to incentivise and reward the eligible persons for their contribution to the Group and to align their interests with that of the Company so as to encourage them to work towards enhancing the value of the Company. The following table discloses movements in the Company's share options outstanding during the six months ended 30 June 2025:

Name of Grantees	Date of grant of share options	Closing price of the Shares on the date the share options were granted (HK\$)	Number of Shares underlying options outstanding as at 1 January 2025	Number of share options granted during the period	Number of share options exercised during the period	Weighted average price of Shares immediately before the date of exercise (HK\$)	Number of share options expired/lapsed during the period	Number of share options canceled during the period	Number of Shares underlying options outstanding as at 30 June 2025	Exercise period of share options <sup>(1)</sup>	Exercise price of share option per Share (HK\$)	Fair value of options at the date of grant <sup>(4)</sup> (HK\$)
Mr. Xiao	20 January 2023 <sup>(2)</sup>	1.96	2,750,000	—	—	—	—	—	2,750,000	20 January 2023 to 19 January 2026	2.50	0.62
	24 April 2024 <sup>(3)</sup>	1.22	2,750,000	—	—	—	—	—	2,750,000	24 April 2024 to 24 April 2027	1.50	0.38
Mr. Sin	20 January 2023 <sup>(2)</sup>	1.96	2,750,000	—	—	—	—	—	2,750,000	20 January 2023 to 19 January 2026	2.50	0.62
	24 April 2024 <sup>(3)</sup>	1.22	2,750,000	—	—	—	—	—	2,750,000	24 April 2024 to 24 April 2027	1.50	0.38
Mr. FAN Yingjie	20 January 2023 <sup>(2)</sup>	1.96	800,000	—	—	—	—	—	800,000	20 January 2023 to 19 January 2026	2.50	0.62
	24 April 2024 <sup>(3)</sup>	1.22	800,000	—	—	—	—	—	800,000	24 April 2024 to 24 April 2027	1.50	0.38
Mr. ZHANG Shengyan	20 January 2023 <sup>(2)</sup>	1.96	200,000	—	—	—	—	—	200,000	20 January 2023 to 19 January 2026	2.50	0.62
	24 April 2024 <sup>(3)</sup>	1.22	200,000	—	—	—	—	—	200,000	24 April 2024 to 24 April 2027	1.50	0.38
Mr. JIANG Yukai	24 April 2024 <sup>(3)</sup>	1.22	200,000	—	—	—	—	—	200,000	24 April 2024 to 24 April 2027	1.50	0.38
Ms. NG Yi Kum	20 January 2023 <sup>(2)</sup>	1.96	200,000	—	—	—	—	—	200,000	20 January 2023 to 19 January 2026	2.50	0.62
	24 April 2024 <sup>(3)</sup>	1.22	200,000	—	—	—	—	—	200,000	24 April 2024 to 24 April 2027	1.50	0.38
Mr. TANG Liang	20 January 2023 <sup>(2)</sup>	1.96	200,000	—	—	—	—	—	200,000	20 January 2023 to 19 January 2026	2.50	0.62
	24 April 2024 <sup>(3)</sup>	1.22	200,000	—	—	—	—	—	200,000	24 April 2024 to 24 April 2027	1.50	0.38
Mr. HO Orlando Yaukai	20 January 2023 <sup>(2)</sup>	1.96	200,000	—	—	—	—	—	200,000	20 January 2023 to 19 January 2026	2.50	0.62
	24 April 2024 <sup>(3)</sup>	1.22	200,000	—	—	—	—	—	200,000	24 April 2024 to 24 April 2027	1.50	0.38
Other Employees	20 January 2023 <sup>(2)</sup>	1.96	40,715,000	—	—	—	—	—	40,715,000	20 January 2023 to 19 January 2026	2.50	0.56 - 0.62
Other Employees	24 April 2024 <sup>(3)</sup>	1.22	72,700,000	—	—	—	—	(1,323,000)	71,377,000	24 April 2024 to 24 April 2027	1.50	0.35
<b>Total</b>			<b>127,815,000</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(1,323,000)</b>	<b>126,492,000</b>			



Notes:

- (1) There is no minimum vesting period or any performance target attached to the share options granted on 20 January 2023 and 24 April 2024.
- (2) The share options are exercisable in installments from the date of grant (i.e. 20 January 2023) until 19 January 2026 (both days inclusive): (a) half of the options can be exercised from 20 January 2023 to 19 January 2026; and (b) the remaining half of the options can be exercised from 20 January 2024 to 19 January 2026.
- (3) The share options are exercisable from the date of grant (i.e. 24 April 2024) to 24 April 2027 (both days inclusive).
- (4) None of the grants of share options to any eligible persons is in excess of the 1% individual limit (as defined under Chapter 17 of the Listing Rules).
- (5) There was no related entity participant or service provider (as defined under Chapter 17 of the Listing Rules) with share options granted or to be granted by the Company exceeding 0.1% of the total issued Shares of the Company in any 12-month period; and the Company has not granted any share options to any related entity participants or service providers during the six months ended 30 June 2025.
- (6) Details of the valuation of share options, including the accounting standard and policy adopted for the Post-IPO Share Option Scheme, are set out in note 18 to the interim condensed consolidated financial statements in this interim report.

Please refer to the Prospectus for full details of the terms and conditions of the Post-IPO Share Option Scheme.

The number of share options available for grant under the Post-IPO Share Option Scheme at the beginning and the end of the six-month period ended 30 June 2025 were approximately 98,285,000 and 99,608,000 respectively.

During the six months ended 30 June 2025, the ratio of the number of Shares that may be issued in respect of options granted under all share option schemes adopted by the Company (i.e. 126,492,000 share options) to the weighted average number of Shares in issue for the period (i.e. 2,995,413,777 Shares) was approximately 4.22%.



## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2025, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were recorded in the register required to be kept pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

### (i) Interest in the Shares

Name of Directors/ Chief Executive	Nature of Interest	Number of Shares held /interested <sup>(1)</sup>	Approximate percentage of interest in the Company <sup>(2)</sup>
Mr. Xiao	Founder of a discretionary trust, interest in a controlled corporation, beneficial interests and other <sup>(3)</sup>	785,358,067(L)	26.21%
Mr. Sin	Interest in a controlled corporation, beneficial interests and other <sup>(4)</sup>	824,887,663(L)	27.53%
Mr. FAN Yingjie	Beneficial interests <sup>(5)</sup>	2,518,000(L)	0.08%
Mr. ZHANG Shengyan	Beneficial interests <sup>(6)</sup>	400,000(L)	0.01%
Mr. JIANG Yukai	Beneficial interests <sup>(7)</sup>	200,000(L)	0.00%
Ms. NG Yi Kum	Beneficial interests <sup>(8)</sup>	400,000(L)	0.01%
Mr. TANG Liang	Beneficial interests <sup>(9)</sup>	400,000(L)	0.01%
Mr. HO Orlando Yaukai	Beneficial interests <sup>(10)</sup>	400,000(L)	0.01%

#### Notes:

- (1) The letter "L" denotes the person's long position in such Shares.
- (2) The percentages are calculated on the basis of 2,995,413,777 Shares in issue as at 30 June 2025.
- (3) As at 30 June 2025, Mr. Xiao was interested in 785,358,067 Shares, among which, Mr. Xiao:
  - (i) was the beneficial owner of 15,950,000 Shares;
  - (ii) through ZSY Holding, a company which is nominated by Trident Trust Company (B.V.I.) Limited, the trustee of the Xiao Family Trust, (a) was deemed to be interested in 70,598,642 Shares held by his wholly-owned company, Zhongshouyou Brothers BVI; (b) was deemed to be interested in 693,309,425 Shares held by Fairview Ridge through Motion Game, Profound Power, Changpei Cayman and Ambitious Profit (the general partner of Changpei Cayman owned as to 64% by Zhongshouyou Brothers BVI); and
  - (iii) Mr. Xiao was also interested in share options for 5,500,000 Shares pursuant to the Post-IPO Share Option Scheme.
- (4) As at 30 June 2025, Mr. Sin was interested in 824,887,663 Shares, among which, Mr. Sin (i) was the beneficial owner of 2,328,000 Shares; (ii) was deemed to be interested in 123,750,238 Shares held by his wholly-owned company, Silver Joyce; (iii) was deemed to be interested in 693,309,425 Shares held by Fairview Ridge through Motion Game, Profound Power, Changpei Cayman and Ambitious Profit (the general partner of Changpei Cayman owned as to 36% by Silver Joyce); and (iv) Mr. Sin was also interested in share options for 5,500,000 Shares pursuant to the Post-IPO Share Option Scheme.
- (5) As at 30 June 2025, Mr. FAN Yingjie was interested in 2,518,000 Shares, among which, Mr. FAN Yingjie (i) was the beneficial owner of 918,000 Shares; and (ii) was interested in share options for 1,600,000 Shares pursuant to the Post-IPO Share Option Scheme.
- (6) As at 30 June 2025, Mr. ZHANG Shengyan was interested in share options for 400,000 Shares pursuant to the Post-IPO Share Option Scheme.
- (7) As at 30 June 2025, Mr. JIANG Yukai was interested in share options for 200,000 Shares pursuant to the Post-IPO Share Option Scheme.
- (8) As at 30 June 2025, Ms. NG Yi Kum was interested in share options for 400,000 Shares pursuant to the Post-IPO Share Option Scheme.
- (9) As at 30 June 2025, Mr. TANG Liang was interested in share options for 400,000 Shares pursuant to the Post-IPO Share Option Scheme.
- (10) As at 30 June 2025, Mr. HO Orlando Yaukai was interested in share options for 400,000 Shares pursuant to the Post-IPO Share Option Scheme.



## (ii) Interest in associated corporations

Name of Director	Name of associated corporation	Approximate percentage of shareholding
Mr. Xiao	Chengdu Zhuoxing <sup>(1)</sup>	31.53%
Mr. Xiao	Shenzhen Zhongshouyou <sup>(1)</sup>	31.53%
Mr. Xiao	Shenzhen Douyue <sup>(1)</sup>	31.53%

*Note:*

(1) Mr. Xiao, through Zhongshouyou Brothers PRC, indirectly held 31.53% equity interests of the PRC Operating Entities.

Save as disclosed above, as at 30 June 2025, none of the Directors or the chief executives of the Company had or was deemed to have any interest or short position in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or required to be recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.



## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2025, to the best knowledge of the Directors, the following persons had interests or short positions in the shares or underlying shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of Shareholder	Nature of Interest	Number of Shares held <sup>(1)</sup>	Approximate percentage of interest in the Company <sup>(2)</sup>
Mr. Xiao	Founder of a discretionary trust, interest in a controlled corporation, beneficial owners and other <sup>(3)</sup>	785,358,067(L)	26.21%
Trident Trust Company (B.V.I.) Limited	Trustee of a trust <sup>(3)</sup>	763,908,067(L)	25.50%
ZSY Holding	Interest in a controlled corporation <sup>(3)</sup>	763,908,067(L)	25.50%
Zhongshouyou Brothers BVI	Beneficial owner <sup>(3)</sup>	70,598,642(L)	2.36%
	Interest in a controlled corporation <sup>(3)</sup>	693,309,425(L)	23.14%
Mr. Sin	Interest in a controlled corporation, beneficial owners and other <sup>(4)</sup>	824,887,663(L)	27.53%
Silver Joyce	Beneficial owner <sup>(4)</sup>	123,750,238(L)	4.13%
	Interest in a controlled corporation <sup>(4)</sup>	693,309,425(L)	23.14%
Fairview Ridge	Beneficial owner <sup>(3)(4)</sup>	693,309,425(L)	23.14%
Motion Game	Interest in a controlled corporation <sup>(3)(4)</sup>	693,309,425(L)	23.14%
Profound Power	Interest in a controlled corporation <sup>(3)(4)</sup>	693,309,425(L)	23.14%
Changpei Cayman	Interest in a controlled corporation <sup>(3)(4)</sup>	693,309,425(L)	23.14%
Ambitious Profit	Interest in a controlled corporation <sup>(3)(4)</sup>	693,309,425(L)	23.14%
Zhongrong Trust	Interest in a controlled corporation <sup>(5)(6)</sup>	369,461,107(L)	12.33%
Beijing Zhongrong Dingxin	Interest in a controlled corporation <sup>(5)(6)</sup>	369,461,107(L)	12.33%
Dazi Dingcheng	Interest in a controlled corporation <sup>(5)(6)</sup>	369,461,107(L)	12.33%
Shanghai Pegasus	Interest in a controlled corporation <sup>(5)</sup>	293,327,517(L)	9.79%
Pegasus Technology	Interest in a controlled corporation <sup>(5)</sup>	293,327,517(L)	9.79%
Pegasus BVI	Interest in a controlled corporation <sup>(5)</sup>	293,327,517(L)	9.79%
Pegasus HK	Beneficial owner <sup>(5)</sup>	293,327,517(L)	9.79%
Farrich Investments Limited	Beneficial owner <sup>(7)</sup>	295,032,214(L)	9.84%
Mr. CHU Yat Hong	Interest in a controlled corporation <sup>(7)</sup>	295,032,214(L)	9.84%
Clear Build Investments Limited	Interest in a controlled corporation <sup>(7)</sup>	295,032,214(L)	9.84%
Thebest Investments Limited	Interest in a controlled corporation <sup>(7)</sup>	295,032,214(L)	9.84%



## Notes:

- (1) The letter "L" denotes the person's long position in such Shares.
- (2) The percentages are calculated on the basis of 2,995,413,777 Shares in issue as at 30 June 2025.
- (3) Mr. Xiao, (i) was the beneficial owner of 15,950,000 Shares; (ii) through ZSY Holding, a company which is nominated by Trident Trust Company (B.V.I.) Limited, the trustee of the Xiao Family Trust, (a) was deemed to be interested in 70,598,642 Shares held by his wholly-owned company, Zhongshouyou Brothers BVI; (b) was deemed to be interested in 693,309,425 Shares held by Fairview Ridge through Motion Game, Profound Power, Changpei Cayman and Ambitious Profit (the general partner of Changpei Cayman owned as to 64% by Zhongshouyou Brothers BVI); and (iii) Mr. Xiao was also interested in share options for 5,500,000 Shares pursuant to the Post-IPO Share Option Scheme. Ms. HUO Dongyan is the spouse of Mr. Xiao and was deemed to be interested in the 785,358,067 Shares Mr. Xiao is interested in.
- (4) Mr. Sin (i) was the beneficial owner of 2,328,000 Shares; (ii) was deemed to be interested in 123,750,238 Shares held by his wholly-owned company, Silver Joyce; (iii) was deemed to be interested in 693,309,425 Shares held by Fairview Ridge through Motion Game, Profound Power, Changpei Cayman and Ambitious Profit (the general partner of Changpei Cayman owned as to 36% by Silver Joyce); and (iv) Mr. Sin was also interested in share options for 5,500,000 Shares pursuant to the Post-IPO Share Option Scheme. Ms. SIN LO Siu Wai Sylvia is the spouse of Mr. Sin and was deemed to be interested in the 824,887,663 Shares Mr. Sin is interested in.
- (5) Pegasus Network HK Limited (譽格瑟斯網絡香港有限公司) ("Pegasus HK"), a Hong Kong company, is wholly-owned by Pegasus Technology Limited ("Pegasus BVI"), a BVI company, which is in turn wholly-owned by Shanghai Pegasus Technology Development Limited (上海譽歌科技發展有限公司) ("Pegasus Technology"), a PRC limited liability company. Pegasus Technology is owned as to 0.4% by an independent third party and 99.6% by Shanghai Pegasus Investment Centre (Limited Partnership) (上海譽格瑟斯投資中心(有限合夥)) ("Shanghai Pegasus"), a PRC limited partnership, the general partner of which is Dazi Dingcheng Capital Investment Co., Ltd. (達孜縣鼎誠資本投資有限公司) ("Dazi Dingcheng"), a limited liability company established in the PRC, which is wholly-owned by Beijing Zhongrong Dingxin Investment Management Co., Ltd. (北京中融鼎新投資管理有限公司) ("Beijing Zhongrong Dingxin") and in turn wholly-owned by Zhongrong International Trust Co., Ltd. (中融國際信託有限公司) ("Zhongrong Trust").
- (6) Yichong Technology HK Limited (一翀科技香港有限公司) ("Yichong HK"), a Hong Kong company, held 76,133,590 Shares, representing approximately 2.54% of the total issued Shares, as at 30 June 2025. Yichong HK is wholly-owned by Yichong Technology Limited, a BVI company, which is in turn wholly-owned by Shanghai Jichong Technology Development Limited (上海紀翀科技發展有限公司) ("Jichong Shanghai"), a PRC limited liability company. Jichong Shanghai is owned as to 0.4% by an independent third party and 99.6% by Yichong Investment, a PRC limited partnership, the general partner of which is Dazi Dingcheng, a limited liability company established in the PRC, which is wholly-owned by Beijing Zhongrong Dingxin and in turn wholly-owned by Zhongrong Trust.

- (7) Farrich Investments Limited, a BVI company, is wholly-owned by Thebest Investments Limited, which is also a BVI company. Thebest Investments Limited is a wholly-owned subsidiary of Clear Build Investments Limited, a BVI company, which is in turn wholly-owned by Mr. CHU Yat Hong.

Save as disclosed above, as at 30 June 2025, the Directors were not aware of any person (who were not directors or chief executives of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be recorded in the register referred to therein.

## PARTNERSHIP STRUCTURE OF CHANGPEI CAYMAN

Changpei Cayman is an exempted limited partnership registered in the Cayman Islands holding 23.14% of the total issued Shares as at 30 June 2025. The general partner of Changpei Cayman is Ambitious Profit, a company incorporated in the Cayman Islands and indirectly owned as to 64% by Mr. Xiao through Zhongshouyou Brothers BVI, and 36% by Mr. Sin through Silver Joyce.

As at 30 June 2025, Changpei Cayman was held by Ambitious Profit, the general partner, as to 0.004%, and Zhejiang Century Huatong Group Limited, a listed company on the Shenzhen Stock Exchange (SZSE: 002602), the limited partner, as to 99.996%.



# REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF CMGE TECHNOLOGY GROUP LIMITED  
(incorporated in the Cayman Islands with limited liability)

## INTRODUCTION

We have reviewed the interim condensed consolidated financial statements set out on pages 37 to 66 which comprise the condensed consolidated statement of financial position of CMGE Technology Group Limited and its subsidiaries (collectively referred to as the "Group") as of 30 June 2025 and the related condensed consolidated statement of profit or loss, condensed consolidated statement of other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the interim condensed consolidated financial statements, including material accounting policy information (the "interim condensed consolidated financial statements"). The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on the interim condensed consolidated financial statements based on our review. This report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

**BDO Limited**  
*Certified Public Accountants*

**Wong Kwok Wai**  
Practising Certificate no. P06047  
Hong Kong, 27 August 2025



# 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>	5	763,034	1,233,336
Cost of sales		(504,455)	(860,572)
Gross profit		258,579	372,764
Other income and gains, net	6	8,072	4,631
Selling and distribution expenses		(372,861)	(148,554)
Administrative expenses		(85,829)	(82,257)
Research and development costs		(93,908)	(110,173)
Impairment of financial assets, net		(52,291)	(62,859)
Impairment of goodwill		(11,524)	(16,844)
Write-off of prepayments		(189,487)	(65,240)
Fair value losses on financial assets at fair value through profit or loss		(76,728)	(59,099)
Impairment of other intangible assets		—	(24,251)
Other expenses		(6,569)	(10,396)
Finance costs	7	(10,360)	(11,109)
Share of profits and losses of associates		(11,646)	2,780
LOSS BEFORE TAX	8	(644,552)	(210,607)
Income tax credit/(expense)	9	298	(30,444)
<b>LOSS FOR THE PERIOD</b>		<b>(644,254)</b>	<b>(241,051)</b>
Attributable to:			
Owners of the parent		(638,550)	(236,220)
Non-controlling interests		(5,704)	(4,831)
		<b>(644,254)</b>	<b>(241,051)</b>
<b>LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>			
Basic			
– For loss for the period	11	RMB(21.32) cents	RMB(8.58) cents
Diluted			
– For loss for the period	11	RMB(21.32) cents	RMB(8.58) cents



# INTERIM CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
<b>LOSS FOR THE PERIOD</b>	<b>(644,254)</b>	<b>(241,051)</b>
<b>OTHER COMPREHENSIVE (LOSS)/INCOME</b>		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	18,599	1,693
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation from functional currency to presentation currency	(29,642)	10,636
<b>OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD, NET OF TAX</b>	<b>(11,043)</b>	<b>12,329</b>
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>(655,297)</b>	<b>(228,722)</b>
Attributable to:		
Owners of the parent	(649,593)	(223,891)
Non-controlling interests	(5,704)	(4,831)
	<b>(655,297)</b>	<b>(228,722)</b>



# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
<b>NON-CURRENT ASSETS</b>			
Property and equipment	12	9,267	11,599
Right-of-use assets		13,748	22,442
Goodwill		501,021	512,545
Other intangible assets		524,883	563,880
Investments in associates		102,925	120,350
Financial assets at fair value through profit or loss	13	1,188,471	1,238,509
Deferred tax assets		111,826	113,036
Prepayments and other receivables	15	682,462	902,407
Total non-current assets		3,134,603	3,484,768
<b>CURRENT ASSETS</b>			
Trade and bills receivables	14	530,060	846,345
Prepayments, other receivables and other assets	15	596,578	638,515
Due from related parties	21	10,838	10,680
Cash and cash equivalents		133,349	101,756
Total current assets		1,270,825	1,597,296
<b>CURRENT LIABILITIES</b>			
Trade payables	16	233,982	218,583
Other payables and accruals		298,585	245,819
Bank and other borrowings		439,862	512,806
Tax payable		125,909	120,426
Due to a related party	21	1,169	—
Lease liabilities		8,850	12,446
Total current liabilities		1,108,357	1,110,080
<b>NET CURRENT ASSETS</b>		<b>162,468</b>	<b>487,216</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>3,297,071</b>	<b>3,971,984</b>



**INTERIM CONDENSED CONSOLIDATED STATEMENT  
OF FINANCIAL POSITION  
AS AT 30 JUNE 2025**

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities		51,843	66,007
Lease liabilities		4,605	10,057
Total non-current liabilities		56,448	76,064
Net assets		3,240,623	3,895,920
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	17	2,089	2,089
Reserves		3,250,614	3,900,207
		3,252,703	3,902,296
Non-controlling interests		(12,080)	(6,376)
Total equity		3,240,623	3,895,920



# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Attributable to owners of the parent								Non-controlling interests RMB'000	Total equity RMB'000
	Share capital RMB'000 (Note 17)	Capital reserve RMB'000	Treasury shares RMB'000	Statutory surplus reserve RMB'000	Share incentive reserve RMB'000	Exchange fluctuation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000		
At 1 January 2025 (Audited)	2,089	3,676,314*	—*	44,343*	831,910*	(819)*	(651,541)*	3,902,296	(6,376)	3,895,920
Loss for the period	—	—	—	—	—	—	(638,550)	(638,550)	(5,704)	(644,254)
Exchange differences on translation	—	—	—	—	—	(11,043)	—	(11,043)	—	(11,043)
Total comprehensive loss for the period	—	—	—	—	—	(11,043)	(638,550)	(649,593)	(5,704)	(655,297)
At 30 June 2025 (Unaudited)	2,089	3,676,314*	—*	44,343*	831,910*	(11,862)*	(1,290,091)*	3,252,703	(12,080)	3,240,623

\* These reserve accounts comprise the consolidated reserves of RMB3,900,207,000 (audited) and RMB3,250,614,000 (unaudited) in the interim condensed consolidated statement of financial position as of 31 December 2024 and 30 June 2025 respectively.

	Attributable to owners of the parent								Non-controlling interests RMB'000	Total equity RMB'000
	Share capital RMB'000 (Note 17)	Capital reserve RMB'000	Treasury shares RMB'000	Statutory surplus reserve RMB'000	Share incentive reserve RMB'000	Exchange fluctuation reserve RMB'000	Retained earnings RMB'000	Total RMB'000		
At 1 January 2024 (Audited)	1,915	3,406,791	—	26,408	804,215	(15,023)	1,471,399	5,695,705	(892)	5,694,813
Loss for the period	—	—	—	—	—	—	(236,220)	(236,220)	(4,831)	(241,051)
Exchange differences on translation	—	—	—	—	—	12,329	—	12,329	—	12,329
Total comprehensive income/(loss) for the period	—	—	—	—	—	12,329	(236,220)	(223,891)	(4,831)	(228,722)
Repurchase of shares	—	—	(974)	—	—	—	—	(974)	—	(974)
Share-based compensation (Note 18)	—	—	—	—	28,305	—	—	28,305	—	28,305
At 30 June 2024 (Unaudited)	1,915	3,406,791	(974)	26,408	832,520	(2,694)	1,235,179	5,499,145	(5,723)	5,493,422



# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before tax:		(644,552)	(210,607)
Adjustments for:			
Finance costs	7	10,360	11,109
Share of profits and losses of associates		11,646	(2,780)
Interest income	8	(137)	(1,047)
Fair value losses on financial assets at fair value through profit or loss	8	76,728	59,099
Fair value adjustment of contingent consideration for business combination	8	—	1,000
Equity-settled share-based expense	8	—	28,184
Impairment of trade receivables, net	8	52,458	29,123
(Reversal of impairment)/impairment of financial assets included in prepayments, other receivables and other assets	8	(167)	33,736
Write-off of prepayments	8	189,487	65,240
Loss on disposals of items of property and equipment	8	882	7
Gain on lease modification	8	(130)	—
Depreciation of property and equipment	8	1,451	2,615
Depreciation of right-of-use assets	8	6,943	7,877
Impairment of goodwill	8	11,524	16,844
Amortisation of other intangible assets	8	47,013	87,321
Impairment of an investment in an associate	8	5,779	4,589
Impairment of other intangible assets	8	—	24,251
		(230,715)	156,561
Decrease in trade and bills receivables		263,863	8,860
Decrease/(increase) in prepayments, other receivables and other assets		12,228	(72,944)
Increase/(decrease) in trade payables		15,399	(19,511)
Increase/(decrease) in other payables and accruals		53,787	(50,390)
Increase in amounts due from related parties		(158)	—
Increase in amount due to a related party		1,169	336
		115,573	22,912
Cash generated from operations		(6,841)	(10,778)
Income tax paid			
		108,732	12,134
Net cash generated from operating activities			



**INTERIM CONDENSED CONSOLIDATED STATEMENT  
OF CASH FLOWS  
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		137	801
Purchases of items of property and equipment	12	(76)	(1,491)
Additions to other intangible assets		(169)	(105,287)
Repayment from a director		—	1,000
Proceeds from disposal of items of property and equipment		73	—
Purchases of financial assets at fair value through profit or loss		(3,019)	(4,071)
Disposals of financial assets at fair value through profit or loss		17,199	49,531
Net cash generated from/(used in) investing activities		14,145	(59,517)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from new bank and other loans		220,362	333,636
Repayments of bank and other loans		(293,306)	(359,118)
Repayments of principal portion of lease payment		(7,166)	(7,462)
Proceeds from issue of shares		—	40,442
Repurchase of shares		—	(974)
Interest paid		(10,360)	(11,109)
Net cash used in financing activities		(90,470)	(4,585)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents at beginning of period		101,756	210,609
Effect of foreign exchange rate changes on cash and cash equivalents, net		(814)	6,141
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>		<b>133,349</b>	<b>164,782</b>



# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2025

## 1. CORPORATE AND GROUP INFORMATION

The Company was incorporated in the Cayman Islands on 20 March 2018 as an exempted company with limited liability under the Companies Act (as revised) of the Cayman Islands. The registered address of the office of the Company is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company. The Company's subsidiaries are principally engaged in mobile game publishing, game development and licensing of intellectual property in Mainland China, Hong Kong, Taiwan, Korea and Japan, and investment business in Mainland China.

## 2. BASIS OF PREPARATION

These interim condensed consolidated financial statements for the six months ended 30 June 2025 have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 *Interim Financial Reporting*. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2024 annual report.

## 3. ACCOUNTING POLICIES

The Company and its subsidiaries (the "Group") have applied the same accounting policies and methods of computation in its interim condensed consolidated financial statements as in its 2024 annual report, except for the following new amendments which apply for the first time in 2025. However, not all of such new amendments are expected to impact the Group as they are either not relevant to the Group's activities or the required accounting policy is consistent with the Group's current accounting policies. The following amendments are effective for the period beginning from 1 January 2025.

Amendments to HKAS 21 and HKFRS 1

*Lack of Exchangeability*

The adoption of these amendments to HKFRS Accounting Standards did not have any material impact on the Group's accounting policies.



**NOTES TO INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS  
30 JUNE 2025**

#### 4. OPERATING SEGMENT INFORMATION

For the six months ended 30 June 2025

Segments	Game publishing RMB'000 (Unaudited)	Game development RMB'000 (Unaudited)	Licensing of intellectual property RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
<b>Segment revenue (Note 5)</b>				
Sales to external customers	656,364	73,193	33,477	763,034
Intersegment sales	—	—	1,837	1,837
	656,364	73,193	35,314	764,871
Reconciliation:				
Elimination of intersegment sales				(1,837)
Total revenue from contracts with customers				763,034
Segment results	227,210	9,329	22,040	258,579
Reconciliation:				
Other income and gains, net				8,072
Selling and distribution expenses				(372,861)
Administrative expenses				(85,829)
Research and development costs				(93,908)
Impairment of financial assets, net				(52,291)
Impairment of goodwill				(11,524)
Write-off of prepayments				(189,487)
Fair value losses on financial assets at fair value through profit or loss				(76,728)
Other expenses				(6,569)
Finance costs				(10,360)
Share of profits and losses of associates				(11,646)
LOSS BEFORE TAX				(644,552)



**NOTES TO INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS**  
**30 JUNE 2025**

**4. OPERATING SEGMENT INFORMATION** *(Continued)*

For the six months ended 30 June 2024

Segments	Game publishing RMB'000 (Unaudited)	Game development RMB'000 (Unaudited)	Licensing of intellectual property RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
<b>Segment revenue (Note 5)</b>				
Sales to external customers	999,925	126,330	107,081	1,233,336
Intersegment sales	—	956	—	956
	999,925	127,286	107,081	1,234,292
Reconciliation:				
Elimination of intersegment sales				(956)
Total revenue from contracts with customers				1,233,336
Segment results	254,818	19,526	98,420	372,764
Reconciliation:				
Other income and gains, net				4,631
Selling and distribution expenses				(148,554)
Administrative expenses				(82,257)
Research and development costs				(110,173)
Impairment of financial assets, net				(62,859)
Impairment of goodwill				(16,844)
Write-off of prepayments				(65,240)
Fair value losses on financial assets at fair value through profit or loss				(59,099)
Impairment of other intangible assets				(24,251)
Other expenses				(10,396)
Finance costs				(11,109)
Share of profits and losses of associates				2,780
LOSS BEFORE TAX				(210,607)



**NOTES TO INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS  
30 JUNE 2025**

## 5. REVENUE

An analysis of revenue is as follows:

During the six months ended 30 June 2025, various games published by the Group recorded suboptimal performance led to a decrease in revenue.

Disaggregated revenue information:

For the six months ended 30 June 2025

Segments	Game publishing RMB'000 (Unaudited)	Game development RMB'000 (Unaudited)	Licensing of intellectual property RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
<b>Types of goods or services:</b>				
Mobile game publishing services	656,364	—	—	656,364
Game development related services	—	73,193	—	73,193
Licensing of intellectual property	—	—	33,477	33,477
<b>Total revenue</b>	<b>656,364</b>	<b>73,193</b>	<b>33,477</b>	<b>763,034</b>
<b>Revenue from contracts with customers under HKFRS 15 by geographical markets:</b>				
Mainland China	426,536	68,501	33,018	528,055
Other countries/regions	229,828	4,692	459	234,979
	<b>656,364</b>	<b>73,193</b>	<b>33,477</b>	<b>763,034</b>
<b>Revenue from contracts with customers under HKFRS 15 by timing of revenue recognition:</b>				
Services transferred over time	656,364	73,193	33,477	763,034
	<b>656,364</b>	<b>73,193</b>	<b>33,477</b>	<b>763,034</b>



**NOTES TO INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS**  
**30 JUNE 2025**

**5. REVENUE** *(Continued)*

For the six months ended 30 June 2024

Segments	Game publishing RMB'000 (Unaudited)	Game development RMB'000 (Unaudited)	Licensing of intellectual property RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
<b>Types of goods or services:</b>				
Mobile game publishing services	999,925	—	—	999,925
Game development related services	—	126,330	—	126,330
Licensing of intellectual property	—	—	107,081	107,081
<b>Total revenue</b>	<b>999,925</b>	<b>126,330</b>	<b>107,081</b>	<b>1,233,336</b>
<b>Revenue from contracts with customers under HKFRS 15 by geographical markets:</b>				
Mainland China	833,084	116,795	107,081	1,056,960
Other countries/regions	166,841	9,535	—	176,376
	<b>999,925</b>	<b>126,330</b>	<b>107,081</b>	<b>1,233,336</b>
<b>Revenue from contracts with customers under HKFRS 15 by timing of revenue recognition:</b>				
Services transferred over time	999,925	126,330	13,442	1,139,697
Services transferred at a point in time	—	—	93,639	93,639
	<b>999,925</b>	<b>126,330</b>	<b>107,081</b>	<b>1,233,336</b>



**NOTES TO INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS  
30 JUNE 2025**

## 6. OTHER INCOME AND GAINS, NET

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Bank interest income	137	1,047
Government grants*	3,203	2,171
Foreign exchange differences, net	2,578	—
Others	2,154	1,413
<b>Total</b>	<b>8,072</b>	<b>4,631</b>

\* Various government grants have been received from local government authorities. There are no unfulfilled conditions or other contingencies relating to these grants.

## 7. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Interest expenses on:		
Bank and other borrowings	9,980	10,364
Lease liabilities	380	745
<b>Total</b>	<b>10,360</b>	<b>11,109</b>



**NOTES TO INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS  
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**8. LOSS BEFORE TAX**

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

	Notes	For the six months ended 30 June	
		2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Commissions charged by publishing channels and third-party game developers	(a)	389,675	683,585
Commissions charged by intellectual properties ("IP") owners		26,382	67,417
Promotion expenses		364,282	136,027
Employee benefit expenses (including directors' remuneration):			
Wages and salaries		118,043	143,496
Equity-settled share-based expense		—	28,184
Pension scheme contributions (defined contribution scheme)	(b)	12,660	16,518
		130,703	188,198
Depreciation of property and equipment		1,451	2,615
Depreciation of right-of-use assets		6,943	7,877
Amortisation of other intangible assets			
– included in cost of sales		46,370	86,357
– included in administrative expenses		636	964
– included in research and development costs		7	—
		47,013	87,321
Research and development costs		93,908	210,459
Less: Amounts capitalised in intangible assets		—	(100,286)
		93,908	110,173
Lease payments not included in the measurement of lease liabilities		874	1,582
Foreign exchange differences, net		(2,578)	4,392
Impairment of an investment in an associate	(d)	5,779	4,589
Impairment of trade receivables, net		52,458	29,123
(Reversal of impairment)/impairment of financial assets included in prepayments, other receivables and other assets		(167)	33,736
Write-off of prepayments	(c)	189,487	65,240
Impairment of goodwill		11,524	16,844
Impairment of other intangible assets		—	24,251
Bank interest income		(137)	(1,047)
Loss on disposals of items of property and equipment		882	7
Gain on lease modification		(130)	—
Auditor's remuneration		1,415	1,400
Fair value losses on financial assets at fair value through profit or loss		76,728	59,099
Fair value adjustment of contingent consideration for business combination		—	1,000



**NOTES TO INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS  
30 JUNE 2025**

## **8. LOSS BEFORE TAX** *(Continued)*

Notes:

- (a) Zhejiang Century Huatong Group Co., Ltd ("Century Huatong"), a listed company on the Shenzhen Stock Exchange (SZSE:002602), and a wholly-owned subsidiary of Century Huatong is a limited partner of Changpei (Shanghai) Investment Centre (Limited Partnership) ("Changpei Shanghai"). Pursuant to the partnership agreement of Changpei Shanghai, the general partner shall have the exclusive and sole right of management of the affairs of the partnership and limited partners shall have no power to conduct the business of the partnership nor shall limited partners represent the partnership. Also, limited partners shall not participate in the management or control of the investment business of the partnership. As Century Huatong does not have any voting rights in the Company through its holding vehicles or significant influence on the Company, the directors of the Company believe that Century Huatong is an independent third party to the Group. Century Huatong provided publishing channel services to the Group, which amounted to RMB11,002,000 during the six months ended 30 June 2025 (2024: RMB11,670,000), and the balance of trade receivables from Century Huatong as at 30 June 2025 was RMB78,000 (31 December 2024: RMB465,000).
- (b) There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.
- (c) Write-off of prepayments is presented as a separate line item in the condensed consolidated statement of profit or loss. These prepayments are related to certain mobile game projects which the Group had decided to terminate or the relevant prepaid licenses were expired during the period.
- (d) Impairment of an investment in an associate is included in "other expenses" in the condensed consolidated statement of profit or loss.

## **9. INCOME TAX**

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Pursuant to the rules and regulations of the British Virgin Islands (the "BVI") and the Cayman Islands (the "Cayman"), the Group is not subject to any income tax in the BVI and the Cayman.

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

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

Taxes on profits assessable in Mainland China have been calculated at the prevailing tax rates, based on existing legislation, interpretations and practices in respect thereof. Pursuant to the Corporate Income Tax Law in the People's Republic of China ("PRC") effective on 1 January 2008, the PRC corporate income tax rate of the Group's subsidiaries operating in Mainland China during the reporting period was 25% of their taxable profits.

Shenzhen Douyue Network Technology Co., Ltd. ("Shenzhen Douyue") and China Mobile Games and Entertainment Group Limited Shenzhen ("Shenzhen Zhongshouyou") were accredited as high and new technology enterprises ("HNTE") in 2020 under relevant PRC laws and regulations. Accordingly, Shenzhen Douyue and Shenzhen Zhongshouyou were entitled to a preferential Corporate Income Tax ("CIT") rate of 15%. The certificate was valid for three years since its renewal in 2023.

Chengdu Zhuoxing Technology Co., Ltd. ("Chengdu Zhuoxing") was accredited as HNTE in 2022 under relevant PRC laws and regulations. Accordingly, Chengdu Zhuoxing was entitled to a preferential CIT rate of 15% from 2022 to 2025.



## NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 30 JUNE 2025

#### 9. INCOME TAX *(Continued)*

Beijing Wenmai Hudong Technology Company Limited was accredited as a HNTE in 2022 under relevant PRC laws and regulations. Accordingly, it was entitled to a preferential CIT rate of 15% from 2022 to 2025.

Shengyue Software (Shenzhen) Co., Ltd. was accredited as HNTE in 2022 under relevant PRC laws and regulations. Accordingly, it was entitled to a preferential CIT rate of 15% from 2022 to 2025.

Tibet Jichuang Internet Technology Co., Ltd. ("Tibet Jichuang") was established in Lhasa Tibet. According to the applicable regulations promulgated by the State Council and relevant authorities, the applicable tax rate for Tibet Jichuang was 15% for 2024 and 2025.

Hainan Chuangyue Technology Company Limited ("Hainan Chuangyue") and Hainan Zhanshen Internet Technology Company Limited ("Hainan Zhanshen") were established in the Hainan Free Trade Port. According to the applicable regulations promulgated by the State Council and relevant authorities, the applicable tax rate for Hainan Chuangyue and Hainan Zhanshen was 15% each for 2024 and 2025.

Shanghai Fanying Network Technology Co., Ltd. was accredited as a "software enterprise" in 2021 under relevant PRC laws and regulations. According to relevant policies, it was entitled to tax exemption from 2021 to 2022 and is entitled to a preferential CIT rate of 12.5% from 2023 to 2025.

Shenzhen Fansheng Network Technology Co., Ltd. was accredited as a "software enterprise" in 2021 under relevant PRC laws and regulations. According to relevant policies, it was entitled to tax exemption from 2023 to 2024 and is entitled to a preferential CIT rate of 12.5% from 2025 to 2027.

#### Super Deduction

According to a policy promulgated by the State Tax Bureau of the PRC that was effective from 2018 onwards, enterprises engaging in research and development activities are entitled to claim 175% of their research and development ("R&D") expenses incurred as tax deductible expenses in determining tax assessable profits. Certain qualified subsidiaries of the Group have claimed such super deduction in ascertaining their tax assessable profits/(losses) for the six months ended 30 June 2024 and 2025.

On 26 March 2023, the State Tax Bureau of the PRC issued the Public Notice 2023 No.7, announcing that the enterprises engaging in research and development activities are entitled to claim 200% of their "R&D" expenses incurred as tax deductible expenses in determining tax assessable profits from 2023 onwards. Certain qualified subsidiaries of the Group have claimed such super deduction in ascertaining their tax assessable profits/(losses) for the six months ended 30 June 2024 and 2025.



**NOTES TO INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS  
30 JUNE 2025**

**9. INCOME TAX** *(Continued)*

The major components of the income tax (credit)/expense for the period are as follows:

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Current tax expense		
PRC	12,522	5,086
Hong Kong	105	54
Elsewhere	29	1,349
	12,656	6,489
Deferred tax (credit)/expense		
PRC	(12,954)	23,955
Total tax (credit)/expense for the period	(298)	30,444

**10. DIVIDENDS**

The board of directors of the Company resolved not to pay any interim dividend to the shareholders in respect of the six months ended 30 June 2025 (2024: nil).



**NOTES TO INTERIM CONDENSED CONSOLIDATED  
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## 11. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

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

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
<u>Loss</u>		
Loss attributable to ordinary equity holders of the parent, used in the basic and diluted loss per share calculation	(638,550)	(236,220)
	For the six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
<u>Shares</u>		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted loss per share calculation	2,995,413,777	2,752,241,000

The Group had no dilutive potential ordinary shares in issue during the six months ended 30 June 2025 and 2024 for which the exercise price of the share options exceeds the average market price of the ordinary shares during the respective period. Therefore, both basic and diluted loss per share are the same.

## 12. PROPERTY AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired assets with a cost of RMB76,000 (30 June 2024: RMB1,491,000).

Assets with a net book value of RMB955,000 were disposed by the Group during the six months ended 30 June 2025 (30 June 2024: RMB7,000), resulting in a net loss on disposal of RMB882,000 (30 June 2024: net loss of RMB7,000).



**NOTES TO INTERIM CONDENSED CONSOLIDATED  
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### 13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Listed equity investments, at fair value	38,571	63,296
Unlisted equity investments, at fair value	873,052	883,656
Convertible loans, at fair value	276,848	291,557
Total	<u>1,188,471</u>	<u>1,238,509</u>

In April 2018, CMGE Group Limited, transferred the investment in China Prosperity Capital Mobile Internet Fund L.P. ("CPC Fund") to the Group. In June 2018, the Group injected cash of US\$8,300,000 (equivalent to RMB54,442,000) to CPC Fund. The Group acted as a limited partner and held 25.65% of its limited partnership interests. The fair value of the investment in CPC Fund was RMB224,752,000 (31 December 2024: RMB227,526,000) as at 30 June 2025.

In February 2020, Guohong Jiaxin (Shenzhen) Angel Venture Capital Enterprise (L.P.) ("Angel Venture") has been set up after obtaining all the related licenses and approval documentations. The fair value of the investment in Angel Venture was RMB208,000,000 (31 December 2024: RMB211,000,000) as at 30 June 2025.

Pursuant to the relevant agreements of these two funds, the Group is entitled to investment return, but has no right or power to participate in the management or control of the funds. Therefore, the Group has neither control nor significant influence on CPC Fund and Angel Venture and they are treated as financial assets at fair value through profit or loss.



**NOTES TO INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS  
30 JUNE 2025**

**14. TRADE AND BILLS RECEIVABLES**

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade receivables	1,011,615	1,254,339
Allowance for impairment	(489,206)	(436,808)
Trade receivables, net	522,409	817,531
Bills receivables	7,651	28,814
Trade and bills receivables, net	530,060	846,345

Trade receivables mainly represent amounts receivable from third-party publishing channels. The Group normally allows credit terms of 180 days for established channels and other counterparties and extends credit terms up to 270 days for major channels and other counterparties. Bills receivables are received from independent customers under the ordinary course of business. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. Trade and bills receivables are non-interest-bearing.

The Group's bills receivables of RMB7,651,000 as at 30 June 2025 (31 December 2024: RMB28,814,000) were transferred to banks by discounting on a full recourse basis. As the Group has not transferred the significant risks and rewards, it continues to recognise the full carrying amount and has recognised the cash received on the transfer as a collateralised borrowing. These financial assets are carried at amortised cost in the condensed consolidated statement of financial position.

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

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 6 months	136,376	365,996
6 months to 1 year	112,908	180,511
1 year to 18 months	69,409	136,640
18 months to 2 years	129,474	117,213
Over 2 years	74,242	17,171
<b>Total</b>	<b>522,409</b>	<b>817,531</b>



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## 15. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Non-current portion		
Prepayments*	667,138	887,365
Other receivables**	15,324	15,042
	682,462	902,407
Current portion		
Prepayments*	447,051	479,658
Deposits and other receivables**	129,992	121,222
Contract costs	19,535	37,635
	596,578	638,515
Total	1,279,040	1,540,922

- \* During the process of developing and publishing mobile games, certain prepayments are agreed to be and have been made by the Group pursuant to the relevant game production contracts entered into with the game developers or licensors of the relevant IP rights. These prepayments are commonly known in the industry as prepaid minimum guarantees and prepaid license fees.

Prepaid minimum guarantees are made by the Group as game publishers to game developers before the release of the games. Prepaid minimum guarantees serve as an incentive to encourage game developers to devote resources into the research and development of certain games and are used to guarantee the collaboration between the Group (as game publisher) and the game developers in relation to the publishing of the games.

Prepaid licenses fees are fixed fees made by the Group as game publishers to game developers or licensors as consideration for acquiring the rights to use the IP, the dealership rights or the distribution rights of certain games.

Prepayments as at 30 June 2025 mainly included prepaid minimum guarantee of approximately RMB419,331,000 (31 December 2024: RMB443,293,000) and prepaid license fees of approximately RMB567,638,000 (31 December 2024: RMB737,550,000).

- \*\* Deposits and other receivables as at 30 June 2025 mainly included receivable from disposal of investments of approximately RMB29,628,000 (31 December 2024: RMB36,083,000) and deductible input VAT of approximately RMB36,419,000 (31 December 2024: RMB26,449,000).



# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2025

## 16. TRADE PAYABLES

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

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 3 months	61,428	92,507
3 to 6 months	52,597	51,434
6 months to 1 year	64,179	25,450
Over 1 year	55,778	49,192
Total	233,982	218,583

The trade payables are non-interest bearing and are normally settled on 180-day terms.

## 17. SHARE CAPITAL

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Issued and fully paid: 2,995,413,777 (31 December 2024: 2,995,413,777) ordinary shares	2,089	2,089

On 22 July 2024, pursuant to the subscription agreement entered into with an independent third-party on 29 May 2024, all conditions precedent to the subscription agreement to allot and issue 100,000,000 subscription shares at the price of HK\$1.68 per subscription share for a total consideration of HK\$168,000,000 have been fulfilled and the completion took place on the same date. Further details of the completion of the subscription are set out in the Company's announcements dated 29 May 2024 and 22 July 2024.

On 13 October 2024, pursuant to the three subscription agreements entered into with independent third-parties on 10 October 2024, all conditions precedent to the subscription agreements to allot and issue 105,777,777 subscription shares at the price of HK\$0.90 per subscription share for a total consideration of HK\$95,200,000 have been fulfilled and the completion took place on 22 October 2024. Further details of the completion of the subscription are set out in the Company's announcements dated 13 October 2024 and 22 October 2024.

On 1 November 2024, pursuant to the assignment agreement entered into with an independent third party on 11 September 2024 to acquire certain intellectual property rights in relation to Legend of Sword and Fairy, all conditions precedent to the assignment agreement to allot and issue 38,000,000 consideration shares have been fulfilled and the completion took place on the same date. Further details of the completion of the transaction are set out in the Company's announcements dated on 11 September 2024 and 1 November 2024.

A total of 1,036,000 ordinary shares (previously repurchased on market in April 2024) were cancelled on 19 December 2024.



# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2025

## 18. SHARE-BASED COMPENSATION

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include the Company's directors, including independent non-executive directors, and other employees of the Group.

On 20 January 2023, the Company granted options to subscribe for a total of 50,000,000 ordinary shares to eligible participants of the Group to incentivise and reward for their contribution to the Group ("2023 Share Options").

On 24 April 2024, the Company granted options to subscribe for a total of 80,000,000 ordinary shares to eligible participants of the Group to incentivise and reward for their contribution to the Group ("2024 Share Options")

2023 Share Options and 2024 Share Options do not confer rights on the holders to dividends or to vote at shareholders' meeting.

The Group did not recognise any share-based compensation expense during the six months ended 30 June 2025.

The Group recognised a share-based compensation expense of RMB28,184,000 calculated based on fair value which ranging from HK\$0.35 to HK\$0.62 per option during the six months ended 30 June 2024.

The fair value of equity-settled share options granted was estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

	2024 Share Options	2023 Share Options
<b>Equity-settled</b>		
Option pricing model used	Binomial model	Binomial model
Exercise price (HK\$ per share)	HK\$1.50	HK\$2.50
Expected dividend	0%	0%
Expected volatility (note)	52.14%	54.87%
Risk-free interest rate	3.86%	3.42%
Suboptimal factor	2.2-2.8	2.2-2.8
Expected life of options (year)	3 years	3 years
Spot price (HK\$ per share)	HK\$1.22	HK\$1.96
Fair value on the date of grant (RMB)	RMB27,411,000	RMB26,105,000

Note:

The expected volatility, measured as the standard deviation of the expected share price returns, is determined based on the average daily trading price volatility of the shares of the Company.

No other feature of the options granted was incorporated into the measurement of fair value.

## 19. CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as of 30 June 2025 (31 December 2024: Nil).



**NOTES TO INTERIM CONDENSED CONSOLIDATED  
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## 20. COMMITMENTS

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

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Contracted, but not provided for: Purchase of IP and game licenses	104,732	134,117

## 21. RELATED PARTY TRANSACTIONS

### (a) Name of related parties

	Relationship with the Group
Guangzhou Zhonghui Digital Co., Ltd.	Associate
Shanghai Fengguo Network Technology Co., Ltd.	Associate
Mr. Fan Yingjie	Executive director

### (b) Transactions with related parties

In addition to the transactions detailed elsewhere in the condensed consolidated financial statements, the Group had the following material related party transactions during the reporting period:

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Production services fee charged by Guangzhou Zhonghui Digital Co., Ltd.	2,043	—
Publishing services provided to Shanghai Fengguo Network Technology Co., Ltd.	1,111	5
Commission charged by Shenzhen Sparks Interactive Entertainment Co., Ltd.*	—	18,953

- \* On 1 December 2024, the Group entered into a capital reduction agreement to return the entire 20% equity interest in Shenzhen Sparks Interactive Entertainment Co., Ltd at a consideration of RMB7,500,000 and the transaction was completed on 1 December 2024. Hence, Shenzhen Sparks Interactive Entertainment Co., Ltd was no longer recognised as an associate of the Group since December 2024. The commission services amounted to RMB18,953,000 charged by Shenzhen Sparks Interactive Entertainment Co., Ltd to the Group during the period from 1 January 2024 to 30 June 2024 was recognised as related party transaction.



**NOTES TO INTERIM CONDENSED CONSOLIDATED  
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**21. RELATED PARTY TRANSACTIONS** *(Continued)*

**(c) Outstanding balances with related parties**

As disclosed in the condensed consolidated statement of financial position, the Group had outstanding balances with related parties at 30 June 2025 and 31 December 2024.

Amounts due from related parties

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Mr. Fan Yingjie**	7,851	7,851
Shanghai Fengguo Network Technology Co., Ltd.*	2,987	2,829
	<b>10,838</b>	<b>10,680</b>

\* The balance is trade in nature.

\*\* The balance is non-trade in nature.

Amount due to a related party

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Guangzhou Zhonghui Digital Co., Ltd.*	1,169	—

\* The balance is trade in nature.

The amounts due from related parties and the amount due to a related party are unsecured, interest-free and repayable on credit terms similar to those offered to the major customers and those offered by major suppliers of the Group.



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**21. RELATED PARTY TRANSACTIONS** *(Continued)*

**(d) Compensation of key management personnel of the Group:**

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Directors' fees	718	658
Salaries, allowances and benefits in kind	3,721	4,558
Equity-settled share-based expense	—	17,766
Pension scheme contributions	228	251
	<b>4,667</b>	<b>23,233</b>

**22. FINANCIAL INSTRUMENTS BY CATEGORY**

**Financial assets**

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Financial assets at fair value through profit or loss	1,188,471	1,238,509
Financial assets measured at amortised cost:		
Trade and bills receivables	530,060	846,345
Due from related parties	10,838	10,680
Financial assets included in prepayments, other receivables and other assets	145,316	136,264
Cash and cash equivalents	133,349	101,756
	<b>819,563</b>	<b>1,095,045</b>
	<b>2,008,034</b>	<b>2,333,554</b>



**NOTES TO INTERIM CONDENSED CONSOLIDATED  
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## 22. FINANCIAL INSTRUMENTS BY CATEGORY *(Continued)*

### Financial liabilities

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Financial liabilities measured at amortised cost:		
Trade payables	233,982	218,583
Financial liabilities included in other payables and accruals	144,756	72,445
Bank and other borrowings	439,862	512,806
Due to a related party	1,169	—
	<b>819,769</b>	<b>803,834</b>
Other financial liabilities:		
Lease liabilities	13,455	22,503
	<b>833,224</b>	<b>826,337</b>

## 23. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

As at 30 June 2025 and 31 December 2024, the fair values of the Group's financial assets or liabilities at amortised cost approximated to their respective carrying amounts.

Management has assessed that the carrying amounts of cash and cash equivalents, trade and bills receivables, amounts due from related parties, financial assets included in prepayments, other receivables and other assets, trade payables, financial liabilities included in other payables and accruals, bank and other borrowings, amount due to a related party and lease liabilities are reasonably approximate to their fair values because these financial instruments are mostly short term in nature.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The directors review the results of the fair value measurement of financial instruments periodically for interim and annual financial reporting purpose.

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

The fair values of listed equity investments are based on quoted market prices. The fair values of the unlisted equity investments and convertible loans have been estimated by using various applicable valuation techniques, including the discounted cash flow approach, adjusted net assets value method and other option pricing models.



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**23. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL  
INSTRUMENTS** *(Continued)*

Set out below is a summary of significant unobservable inputs to the valuation of financial instruments as at 30 June 2025 and 31 December 2024:

	Valuation technique	Significant unobservable inputs	Range	Relationship between fair value and the inputs
Financial assets at fair value through profit or loss	Discounted cash flow method	Long term growth rate	2% (31 December 2024: 2%)	Increase/(decrease) in growth rate would result in increase/(decrease) in fair value
		Long term operating margin	12% to 54% (31 December 2024: 18% to 46%)	Increase/(decrease) in operating margin would result in increase/(decrease) in fair value
		Weighted average cost of capital ("WACC")	17% to 22% (31 December 2024: 17% to 22%)	Increase/(decrease) in WACC would result in (decrease)/increase in fair value
	Adjusted net assets value method with equity allocation model	Marketability discount	16% (31 December 2024: 16%)	Increase/(decrease) in marketability discount would result in (decrease)/increase in fair value
	Binomial method	Volatility	53% to 93% (31 December 2024: 57% to 96%)	Increase/(decrease) in volatility would result in increase/(decrease) in fair value
		Discount rate	30% to 36% (31 December 2024: 23% to 29%)	Increase/(decrease) in discount rate would result in (decrease)/increase in fair value



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## 23. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

### Fair value hierarchy

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

#### Assets measured at fair value:

	Quoted prices in active markets (Level 1) RMB'000	Fair value measurement using Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
As at 30 June 2025 (Unaudited)				
Financial assets at fair value through profit or loss				
– Listed equity investments	38,571	—	—	38,571
– Unlisted equity investments	—	432,752	440,300	873,052
– Convertible loans	—	—	276,848	276,848
	<u>38,571</u>	<u>432,752</u>	<u>717,148</u>	<u>1,188,471</u>
As at 31 December 2024 (Audited)				
Financial assets at fair value through profit or loss				
– Listed equity investments	63,296	—	—	63,296
– Unlisted equity investments	—	438,526	445,130	883,656
– Convertible loans	—	—	291,557	291,557
	<u>63,296</u>	<u>438,526</u>	<u>736,687</u>	<u>1,238,509</u>



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**23. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL  
INSTRUMENTS** *(Continued)*

**Fair value hierarchy** *(Continued)*

*Assets measured at fair value: (Continued)*

The movements in fair value measurements within level 3 during the reporting period are as follows:

	Financial assets at fair value through profit or loss	
	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Opening balances	736,687	1,382,552
Loss recognised in profit or loss	(55,109)	(560,066)
Additions	52,769	4,071
Disposals	(17,199)	(89,870)
Closing balances	717,148	736,687

**24. EVENTS AFTER THE REPORTING PERIOD**

Saved as disclosed elsewhere in these interim condensed consolidated financial statements, as at the date of approval of these interim condensed consolidated financial statements, there are no significant events after the reporting period.

**25. APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS**

These interim condensed consolidated financial statements were approved and authorised for issue by the board of directors of the Company on 27 August 2025.



## DEFINITIONS

In this interim report, unless the context otherwise requires, the following words and expressions shall have the following meanings:

"Ambitious Profit"	Ambitious Profit Investment Limited, an exempted company incorporated in the Cayman Islands with limited liability on 5 January 2018 and one of the Controlling Shareholders
"ARPPU"	average revenue per month per paying user, which represents the Group's revenue recognised for a particular game, a particular type of game or all of its games, as applicable, in the period divided by the number of paying users of the game, the type of game or all of its games, as applicable, in such period
"Audit Committee"	the audit committee of the Company
"Auditor"	BDO Limited, the independent auditor of the Company
"Board"	the board of Directors
"BVI"	the British Virgin Islands
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Changpei Cayman"	Changpei Investment Centre, L.P., an exempted limited partnership registered in the Cayman Islands on 2 March 2018 and one of the Controlling Shareholders
"Changpei Shanghai"	Changpei (Shanghai) Investment Centre (Limited Partnership) (長霽(上海)投資中心(有限合伙)), a limited partnership registered in the PRC on 2 June 2015
"Chengdu Zhuoxing"	Chengdu Zhouxing Technology Co., Ltd. (成都卓星科技有限公司), a company established in the PRC on 24 June 2013 and wholly-owned by Shenzhen Lanyue, and is one of the PRC Operating Entities controlled by the Group through the Contractual Arrangements
"CMGE Mobile Tech"	China Mobile Game Technology Company Limited (中手游移動科技有限公司), a limited liability company established under the laws of the PRC on 14 October 2015, which is held as to 44.67% by Changpei Shanghai, 18.90% by Shanghai Pegasus, 31.53% by Zhongshouyou Brothers PRC and 4.90% by Yichong Investment
"Company"	CMGE Technology Group Limited (中手游科技集团有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 20 March 2018, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 0302)
"Contractual Arrangements"	the series of contractual arrangements entered into by Shengyue Software (Shenzhen) Co., Ltd. (盛悦軟件(深圳)有限公司) and the PRC Operating Entities
"Controlling Shareholder(s)"	has the meaning ascribed to it/them under the Listing Rules
"Corporate Governance Committee"	the corporate governance committee of the Company



## DEFINITIONS

"Director(s)"	the director(s) of the Company
"Fairview Ridge"	Fairview Ridge Investment Limited, a company incorporated in the BVI with limited liability on 6 March 2018 and one of the Controlling Shareholders
"Group"	the Company, its subsidiaries and the PRC Operating Entities
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"HKFRS"	Hong Kong Financial Reporting Standards, as issued by the Hong Kong Institute of Certified Public Accountants
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IP"	intellectual property
"Listing Date"	31 October 2019, being the date on which the Shares of the Company became listed and commenced trading on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"MAUs"	monthly active users, which refers to the number of active users in the relevant calendar month; 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
"Motion Game"	Motion Game Company Limited (動力遊戲娛樂有限公司), a company incorporated in Hong Kong with limited liability on 20 July 2017 and one of the Controlling Shareholders
"MPUs"	monthly paying users, which refers to the number of paying users in the relevant calendar month; average MPUs for a particular period is the average of the MPUs in each month during that period
"Mr. Sin"	Mr. SIN Hendrick (冼漢迪) <i>M.H., J.P.</i> , the executive Director and vice chairman of the Company, and one of the Controlling Shareholders
"Mr. Xiao"	Mr. XIAO Jian (肖健), the executive Director, chairman and chief executive officer of the Company, and one of the Controlling Shareholders
"Nomination Committee"	the nomination committee of the Company



"Post-IPO Share Option Scheme"	the post-IPO share option scheme of the Company approved and adopted by the Shareholders on 20 September 2019
"PRC" or "China"	the People's Republic of China excluding, for the purpose of this report only, Hong Kong, the Macau Special Administrative Region and Taiwan
"PRC Operating Entities"	Chengdu Zhuoxing, Shenzhen Zhongshouyou, Shenzhen Douyue, Hainan Chuangyue Technology Company Limited (海南創躍科技有限公司), Yichun Dongdian Huyu Internet Technology Company Limited (宜春市動點互娛網絡科技有限公司), Hainan Zhanshen Internet Technology Company Limited (海南戰神網絡科技有限公司), Shenzhen Fansheng Network Technology Co., Ltd. (深圳市凡盛網絡科技有限公司), Shanghai Zhoujing Network Technology Co., Ltd. (上海洲競網絡科技有限公司), Shanghai Yunnan Network Technology Co., Ltd. (上海雲藍網絡科技有限公司), Guangzhou Manshikong Network Technology Co., Ltd. (廣州漫時空網絡科技有限公司) and Beijing Hengwan Network Technology Co., Ltd. (北京恒玩網絡科技有限公司)
"Profound Power"	Profound Power Investment Limited, a company incorporated in BVI with limited liability on 8 March 2018 and one of the Controlling Shareholders
"Prospectus"	the Company's prospectus dated 19 October 2019 issued for listing purpose
"Remuneration Committee"	the remuneration committee of the Company
"Reporting Period"	the six months ended 30 June 2025
"RMB"	Renminbi, the lawful currency of the PRC
"RPG"	role-playing game
"SFO"	the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) of the Company with nominal value of US\$0.0001 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Shenzhen Douyue"	Shenzhen Douyue Network Technology Co., Ltd. (深圳市豆悅網絡科技有限公司), a company established in the PRC on 21 November 2014 and wholly-owned by Shenzhen Lanyue, and is one of the PRC Operating Entities controlled by the Group through the Contractual Arrangements



## DEFINITIONS

"Shenzhen Lanyue"	Shenzhen Lanyue Internet Technology Company Limited (深圳市嵐悅網絡科技有限公司), a company established in the PRC on 7 June 2013 and the registered shareholder of the PRC Operating Entities
"Shenzhen Zhongshouyou"	China Mobile Games and Entertainment Group Limited Shenzhen (深圳市中手游網絡科技有限公司), a company established in the PRC on 10 July 2015 and wholly-owned by Shenzhen Lanyue, and is one of the PRC Operating Entities controlled by the Group through the Contractual Arrangements
"Silver Joyce"	Silver Joyce International Limited, a company incorporated in the BVI on 5 July 2012 and wholly-owned by Mr. Sin, which is one of the Controlling Shareholders
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subsidiary(ies)"	has the meaning ascribed to it/them under the Listing Rules
"Substantial Shareholder(s)"	has the meaning ascribed to it/them under the Listing Rules
"US\$"	U.S. dollars, the lawful currency of the United States of America
"Wenmai Hudong"	Beijing Wenmai Hudong Technology Company Limited (北京文脈互動科技有限公司), a company established in the PRC on 12 December 2014, which is an indirect wholly-owned subsidiary of the Company
"Xiao Family Trust"	the ZSY Trust, a discretionary trust set up by Mr. Xiao, as settlor, and Trident Trust Company (B.V.I.) Limited, as trustee, for the benefit of Mr. Xiao and his spouse
"Yichong Investment"	Shanghai Yichong Investment Centre (Limited Partnership) (上海一翀投資中心(有限合伙)), one of the Shareholders and a limited partnership established in the PRC on 20 April 2015, the general partner of which is Dazi Dingcheng
"Zhongshouyou Brothers BVI"	Zhongshouyou Brothers Limited (中手游兄弟有限公司), a company incorporated in the BVI on 2 January 2018 and wholly-owned by ZSY Holding for the Xiao Family Trust, which is one of the Controlling Shareholders
"Zhongshouyou Brothers PRC"	Shaoxing Shangyu Zhongshouyou Brothers Investment Partnership (Limited Partnership) (紹興市上虞中手游兄弟投資合夥企業(有限合伙)), a limited partnership established on 23 November 2015 under the laws of the PRC, a shareholder of CMGE Mobile Tech
"ZSY Holding"	ZSY Holding Company Limited, a limited company incorporated in the BVI on 20 June 2022, which is nominated by Trident Trust Company (B.V.I.) Limited, the trustee of the Xiao Family Trust