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Qingci Games Inc.

青瓷游戏有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 6633)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2025

The Board of Directors of Qingci Games Inc. is pleased to announce the audited consolidated annual results of the Group for the year ended December 31, 2025, together with the comparative figures for the year ended December 31, 2024 as follows:

FINANCIAL HIGHLIGHTS

	For the year ended December 31,		
	2025	2024	Change
	(RMB'000)	(RMB'000)	(%)
Revenue	456,077	627,962	(27)
Gross profit	261,287	363,115	(28)
Net profit	123,339	47,128	162
Profit attributable to equity holders of the Company	121,749	51,120	138

KEY OPERATING INFORMATION

	For the year ended December 31,		
	2025	2024	Change (%)
Average MAUs (in thousands)⁽¹⁾	1,123	2,360	(52)
Average MPUs (in thousands)⁽²⁾	139	228	(39)
ARPPU (RMB)	286	265	8
Cumulative registered players (in thousands)	102,210	98,276	4

Notes:

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

MANAGEMENT DISCUSSION AND ANALYSIS

Industry and Business Overview

The Group is a well-known mobile game developer and publisher in China, principally engaged in the R&D, publication and commercialization of mobile games. With a product portfolio spanning both self-developed games and in-licensed games, the Group has established publication and long-term operational capabilities targeting Mainland China and major overseas markets. We are committed to offering unparalleled experiences to game players around the world through our iconic and captivating games and content, thereby generating sustainable commercial returns.

Business Model

The Group generates revenue primarily through a “free-to-play with in-game purchases” model, supplemented by value-added services such as in-game advertising. This model effectively lowers the barriers to user entry, expands our player base as well as enhances player engagement and spending willingness through ongoing content updates, event management and community building. Our revenue is mainly derived from:

- **Game Operating Revenue:** We publish games in major global markets via self-operation or joint operation models, generating revenue from sales of in-game virtual items.
- **Game Licensing Revenue:** We license self-developed games to third-party publishers, thereby earning licensing fees or revenue-sharing income to achieve lightweight expansion of IP value.
- **Information Service Revenue:** We diversify our revenue streams through performance-based services such as in-game advertising.

Sustainable performance growth has been underpinned by the close integration of the Group’s overarching strategy of “Premiumization, Globalization, Long-term Development” (“精品化、全球化、長線化”) with its business model:

- **Premium Development:** We have a strong and experienced R&D team and have developed and continuously refined systematic R&D methodologies encompassing target decomposition, effective validation and efficient iteration. Our R&D and operations teams are deeply integrated, leveraging the operations team’s player insights and data analytics, through a “R&D and operation integration” model, the long-term operation experience, activity validation and user feedback are channelled back to support R&D. This is further reinforced by the participation of our large player community “QingCi Enthusiasts” across multiple rounds of testing and feedback, enabling us to validate product direction more effectively, optimize user experience and sustain the delivery of high-quality content.
- **Global Publication:** Compared to focusing solely on a single market, our global publication capabilities significantly broaden the revenue potential of individual games. For instance, by introducing successful products from the Chinese market (such as *The Marvelous Snail/SuperSnail* (最強蝸牛)) to Europe, the United States, Japan and Southeast Asia, we have effectively enhanced the long-term value of our IPs and the lifecycle contribution of single products.

- **Long-term Operation:** Many of our major games maintain their vitality years after launch. For instance, *Gumballs & Dungeons* (不思議迷宮) has been running for nearly a decade, while *The Marvelous Snail/SuperSnail* (最強蝸牛) has been alive for nearly six years. Through content innovation, optimised event pacing and refined data-driven operations, we have solidified our strengths in the mobile sector while actively exploring publication channels on platforms like PCs (Steam). This approach has enabled us to accumulate expertise in cross-platform operations and community building, sustaining the high ARPPU and extended lifecycles of our games.

Industry Overview

1. Ongoing Optimization of the Game Industry Ecosystem

Driven by both policy support and market demand, China's gaming industry ecosystem is advancing towards a new stage of healthier and more dynamic development, characterized by steady and sustainable progress. On the one hand, regulatory authorities continue to bolster support for industry development, providing the industry with clear and consistent development expectations. On the other hand, the market supply structure is undergoing continuous refinement, with mature products maintaining robust performance through refined operations, while multiple new releases rapidly gain traction in the market attributing to their high production standards and distinctive gameplay innovations, earning high acclaim from players.

With the introduction of favorable policies and the steady optimization of the industry ecosystem, the enthusiasm of game developers has been significantly energized. As a game company with R&D and operation integration as its core characteristics, the Group is now not only better positioned to attract outstanding development talent and creative teams for its in-house games, but is also better equipped to identify new products with high growth potentials from a vast array of titles for in-licensing cooperation. This aggregation of premium resources will help expand our product portfolio and enhance the competitiveness of our game offerings.

2. Global Expansion Gains Momentum

Expanding into overseas markets has become an industry consensus, and games are increasingly taking on a cultural communication exchange dimension. On the one hand, major developers continue to ramp up investments in overseas markets, implementing precise localization and promotion tailored to regional player cultural preferences and consumption habits, thereby achieving successful global product launches. On the other hand, a growing number of developers are recognizing the importance of disseminating local culture through games as a medium, and organically integrating cultural elements into product design.

In line with the trend of deepening globalization, the Group has proactively developed overseas markets and implemented a multi-platform publication strategy to enhance our overall competitiveness. Market environments, cultural preferences and regulatory frameworks vary significantly across different countries and regions. Furthermore, PC and mobile platforms differ markedly in ecosystem development and player demographics. These present not only new challenges, but also important opportunities to strengthen the Group's core competitiveness. The process of expanding into the global market and competing across multiple platforms has significantly enhanced the Group's capabilities in refined publishing and operations, deepened its understanding of how mainstream platforms operate commercially, accumulated valuable experience in promoting high-quality cultural content across different countries and regions as well as significantly expanded the boundaries of commercialization, thereby providing strong support for the Group's sustainable growth.

3. *Intensifying Competition for Premium Quality in the Gaming Market*

On the one hand, players' expectations for the quality of game content have reached unprecedented heights where not only innovative and immersive gameplay is expected but also higher standards of storylines, artistic styles and other fine details. This requires developers to invest greater resources in creative design and industrialized production processes, resulting in generally extended development cycles. On the other hand, breakthroughs in cutting-edge technologies like AI provide robust support for premium game creation by significantly enhancing development efficiency and creative expressiveness of products. Against this backdrop, in both large-scale titles offering immersive experiences and lightweight products catering to fragmented entertainment needs, there is an ever-increasing demand for quality. The competitive focus has shifted from a straightforward battle for traffic to an all-encompassing competition on quality and user experience.

In order to maintain its competitiveness, the Group is committed to continuous improvement in key areas such as creative design, core gameplay and artistic expression. At the same time, the Group focuses on leveraging synergies across its IPs, places emphasis on building and operating its IP ecosystem and strives to continuously deliver high-quality games for players.

In summary, the Group faces both opportunities and challenges currently. In response to profound shifts within the industry landscape, we will maintain a proactive stance and sustain sound operations through measures such as optimising internal management, enhancing operational efficiency and precise market deployment. By doing so, we strive to seize opportunities amidst transformation and achieve sustainable and high-quality development.

Corporate Overview

According to the *2025 Annual Report of China's Gaming Industry* and the *2025 Research Report on China's Games Going Global*, the global gaming market size in 2025 was RMB1,301.667 billion, representing a year-on-year increase of 7.02%, among which the mobile gaming market size was RMB666.895 billion, representing a year-on-year increase of 4.93%. The Chinese gaming market size was RMB350.789 billion, representing a year-on-year increase of 7.68%. The number of users was 683 million, representing a year-on-year increase of 1.53%. The mobile gaming market size was RMB257.076 billion, representing a year-on-year increase of 7.92%. The Group's total sales in the global market was RMB456 million, of which the sales in the China market was RMB259 million.

As of December 31, 2025, the number of the Group's cumulative registered players worldwide exceeded 102.21 million, representing a year-on-year increase of 4.00% as compared with last year. The figure exceeded 100 million, marking a new milestone in the Group's deep cultivation and meticulous work in the global gaming market. This achievement is not only a compelling validation of the effectiveness of our strategy to continuously create high-quality and distinctive products, but also further strengthened the influence of the Group in the global gaming market.

During the Reporting Period, the Group delivered a sound performance in terms of the growth of net profit, innovation and integration capabilities, long-term operation of games, the proportion of overseas income, and was awarded the title of "Strong Foundation Leading Game Enterprise" in the *2025 China Listed and Non-listed Game Enterprise Competitiveness Report* released by Gamma Data, with its core competitiveness recognized by the industry. At the same time, the Group made several achievements in the fields of original IP cultivation, long-term operation and in-depth development as well as overseas market expansion. The Group has consistently placed "innovation" at its core and increased investment in self-developed products, reinforcing the distinctive brand identity of "Qingci Style", and diversified its revenue streams through expanding collaborations for high-quality game projects. The Group was awarded the title of "China Gaming Industry Potential Enterprise" in the *2026 China Gaming Industry Trend and Potential Analysis Report* released by Gamma Data and became a representative enterprise with both growth resilience and development potential in the niche segment.

During the Reporting Period, in terms of financial data, the Group recorded a revenue of RMB456 million, representing a decrease of 27% as compared with the same period last year, among which the proportion of overseas revenue accounted for 43.2%, remaining generally flat with last year. The Group recorded a profit of RMB123.34 million, representing an increase of 162% as compared with the same period last year. The above financial data reflects a trend of declining revenue but improving profitability, mainly due to (i) the impact of the core product lifecycles and the pace of new product launches, which resulted in a year-on-year decrease in the Group's operating revenue; (ii) the Group's efficient management, operation and cost control, which resulted in a significant decrease in marketing expenses as compared with last year; and (iii) the increase in fair value gains of the Group's short-term investments, which together contributed to the Group's overall improvement in profitability year-on-year despite a decline in revenue.

During the Reporting Period, in terms of game operating data, as of December 31, 2025, the Group had more than 102.21 million cumulative registered players, representing an increase of 4.00% as compared with last year; the average number of monthly active users was approximately 1,123,100, representing a year-on-year decrease of 52.41%; the average number of monthly paying users was approximately 139,100, representing a year-on-year decrease of 38.93%; ARPPU recorded RMB285.61, representing a year-on-year increase of 7.92%. The above game operating data reflects a steady increase in cumulative registered players and a year-on-year improvement in ARPPU, alongside year-on-year declines in the number of monthly active users and monthly paying users, mainly due to (i) the core products being in a mature stage with natural decline in active users; and (ii) the Group optimizing its operational strategy, effectively promoted the registration of new players and the return of veteran players through the launch of new game versions, and optimization and upgrading of game content, slowing down user attrition while also enhancing users' willingness to spend.

Overall, the aforementioned changes were driven by two main reasons, on the one hand, as described in the section headed Industry Overview above, rising player expectations for content quality and intensifying market competition have to a certain degree posed new challenges to the Group's operational and R&D capabilities in respect of its existing mature products; on the other hand, the Group faces both opportunities and challenges, and proactively addresses these challenges by optimizing internal management, enhancing operational efficiency and implementing precise market deployment to strengthen its competitiveness. In this context, core products also experienced natural decline in users and a decrease in gross billings during their maturity periods. However, at the same time, players have shown a stronger preference for the Group's high-quality content, collectively impacting the Group's short-term financial and operational data.

In response to the impact of internal and external factors, the measures adopted by the Group include but are not limited to: (i) continuing to cultivate and optimize existing mature products by refining operational strategies, strengthening granular cost controls and launching new content updates to drive new player registrations and re-engage veteran players, thereby enhancing operational efficiency and users' willingness to spend and moderating the decline in gross billings; (ii) meticulously developing innovative new products to meet players' demand for high-quality content; and (iii) continuing to deepen the Group's global footprint, actively pursuing collaborations with premium IPs to expand the product matrix, increasing investment in in-house R&D and leveraging emerging technologies such as AI to enhance R&D efficiency and content quality, thereby honing long-term operational capabilities.

The Group will continue to adhere to refined operations and precise market launch, seize the structural opportunities of premiumization and globalization in the industry as well as further enhance its comprehensive competitiveness and industry influence, achieving sustainable and high-quality development.

Business Overview for the Reporting Period

During the Reporting Period, the Group steadfastly implemented its core strategy of “Premiumization, Globalization, Long-term Development” (“精品化、全球化、長線化”). Focusing on key priorities such as “consolidating the foundation of evergreen products, deepening global publication channels, enhancing R&D efficiency and product predictability, and expanding multi-platform publication capabilities”, the Group has advanced its operating initiatives:

- Regarding existing products, the Group continued to explore the long-term operating potential of core offerings. Through content innovation, optimised event pacing and refined data-driven operations, users’ willingness to spend and product stickiness were enhanced;
- Regarding new products, the Group continued to advance the R&D and testing iteration of key pipeline projects. Concurrently, it expanded collaborations for game projects to enrich its product portfolio for the medium to long term;
- Regarding platforms and channels, the Group solidified its strengths in the mobile sector while actively exploring publication channels on platforms like Steam, so as to accumulate expertise in cross-platform operations and community building;
- Regarding capability development, the Group continued to refine its R&D-operation collaboration processes, and employed new technological tools such as AI to enhance R&D efficiency and content output quality.

The Group has achieved significant breakthroughs in the following aspects during the Reporting Period:

- (1) **Landmark IP collaboration unfolding a new chapter, publication capability gaining international recognition:** In November 2025, the Group entered into a game license assignment agreement with The Walt Disney Company (China) Limited (華特迪士尼(中國)有限公司), pursuant to which it acquired the license to develop and publish a game, 迪士尼：書境傳奇. The game combines elements such as card combat and idle game mechanics, featuring Disney and Pixar characters including Elsa in “*Frozen*”, Jack Sparrow in “*Pirates of the Caribbean*”, Woody in “*Toy Story*”, etc. It is expected to be released successively in Mainland China, HMT regions, Singapore, Malaysia, Thailand and South Korea, commencing from 2026. This collaboration not only demonstrates the Group’s robust strength within the gaming industry, but also reflects the Group’s strong publication capabilities;

- (2) **Highly effective long-term operations and rejuvenation of core products:** In June 2025, the self-developed flagship game *The Marvelous Snail/SuperSnail* (最強蝸牛) celebrated its fifth anniversary in Mainland China and HMT regions, and attracted waves of returning veteran players and saw significant improvement in users' willingness to spend after launching its brand-new anniversary version, gameplay optimization and innovative marketing campaigns. During the anniversary event, the ARPPU grew significantly from approximately RMB200 to nearly RMB300, representing an increase of about 50%, fully exhibiting the Group's outstanding capabilities in game content innovation and long-term operations;
- (3) **Steady progress in globalization strategy and ongoing overseas market expansion:** During the Reporting Period, *Cardcaptor Sakura: Memory Key* (魔卡少女櫻：回憶鑰匙) was launched in Vietnam, ranking the second on the local iOS free games chart and the eighth on the local iOS bestseller games chart. Furthermore, the Group is actively preparing for the release of the Korean version of *The Marvelous Snail/SuperSnail* (最強蝸牛) and the release of *Cardcaptor Sakura: Memory Key* (魔卡少女櫻：回憶鑰匙) in Japan. The Group will further consolidate and expand its market share and influence in major markets worldwide, providing more diversified and stable impetuses for the Group's revenue growth;
- (4) **Focusing on breakthroughs in self-development pipeline, gathering momentum for future growth:** The Group progressed smoothly in developing the strategic self-developed title *Project E* (項目E) and has initiated multiple rounds of tests for core players, accelerating the iteration of game R&D versions through intensive interaction with players. Integrating map exploration, backpack management, resource collection and other innovative gameplay elements, this game is positioned to be the Group's next milestone product. Concurrently, the Group is persistently refining the R&D process and fully embracing cutting-edge technologies like AI to further enhance R&D efficiency and product quality; and
- (5) **Increasingly mature multi-platform publication capabilities, with premium content receiving market recognition:** The Group successfully launched its in-licensed casual game *Tingus Goose* (神經鵝) on the Steam platform in 2025. Thanks to its unique tone and innovative gameplay, the game recorded sales of over 20,000 copies within 48 hours of release, reaching nearly 50,000 copies within seven days. It garnered over 90% positive reviews globally on Steam, topped the popular new releases charts in multiple regions and received a nomination for the Best Overseas Games at the indiePlay China Indie Game Awards. The success of this product demonstrates the Group's publication capabilities in the casual PC gaming market, accumulating valuable experience for the multi-platform deployment of future premium projects.

Our Games

The Group develops, publishes and operates a number of premium games, while continuously expanding its multi-platform publication and operation capabilities. As of December 31, 2025, we have a number of game projects covering mobile and PC platforms (such as the Steam platform), including idle games, Rogue-like RPG and other RPG, and mini program games.

Below is an overview of our major games:

The Marvelous Snail/SuperSnail (最強蝸牛), launched in June 2020, is our self-developed idle game. As of December 31, 2025, the game recorded cumulative gross billings of approximately RMB3,922 million domestically and overseas, with 29.74 million cumulative registered players. During the Reporting Period, *The Marvelous Snail/SuperSnail (最強蝸牛)* (known as *SuperSnail* in regions including Southeast Asia, Europe and the United States) celebrated the fifth anniversary of its launch in Mainland China, introducing brand-new storylines and gameplay features, unveiling the new character “Gua Gua (呱呱)” and the ninth realm “Persia (波斯)”, receiving enthusiastic responses from the player community. During the fifth-anniversary celebration, the game hit recent highs in multiple operating metrics, fully demonstrating the Group’s outstanding capabilities in long-term IP operations. During the period, the game also launched multiple versions and events, sustaining player engagement and achieving counter-trend growth in operating data. For example, in Mainland China, a total of 14 festival events and version updates were launched in 2025, including the Spring Festival event – Golden Snake Welcomes Spring, the anniversary celebration – Fifth-Anniversary Birthday Party, the Mid-Autumn Festival event – Moon Palace Defense and the Christmas and New Year event – A Mysterious Christmas Eve. The average monthly ARPU in Mainland China for the full year increased by over 30% as compared with that for 2024. During the Reporting Period, the total domestic and overseas revenue recorded by the game was approximately RMB274 million.

Lantern and Dungeon (提燈與地下城), launched in March 2021, is a Rogue-like RPG that we introduced through in-licensing. During the Reporting Period, the game released a number of version updates, including its fourth-anniversary version and an innovative version featuring an “idle system”. It also launched a collaboration with *Gumballs & Dungeons (不思議迷宮)*, maintaining stable gross billings. During the Reporting Period, the game recorded a revenue of approximately RMB13.21 million.

Sword and Fairy: Wen Qing (新仙劍奇俠傳之揮劍問情), launched in June 2023, is a story card mobile game jointly published by the Group and CMGE. During the Reporting Period, the game released its second-anniversary version, introduced three new characters and launched over 10 events and version updates, creating extensive gaming experiences for players. During the Reporting Period, the game recorded a revenue of approximately RMB34.12 million.

Cardcaptor Sakura: Memory Key (魔卡少女櫻：回憶鑰匙) is a mobile game created based on the teenage girl-themed animation of *Cardcaptor Sakura: Clear Card* (庫洛魔法使：透明牌篇) that the Group introduced through in-licensing with genuine licensing. The game was launched in Mainland China in September 2023 and was launched in HMT regions in October 2023. In October 2025, the game was launched in Vietnam, and ranked the second on the iOS free games chart and the eighth on the iOS bestseller games chart in Vietnam. During the Reporting Period, the game recorded a revenue of approximately RMB7.19 million. The game will be launched in Japan in 2026. Leveraging its established product reputation and the Group’s long-term operating capabilities, the game is expected to provide a meaningful boost to the Group’s revenue.

Fat Goose Gym (肥鵝健身房), launched in Japan in February 2024, is a casual game that we introduced through in-licensing. During the Reporting Period, the game released 49 versions. Through high-frequency and high-quality content updates, the game continuously enhanced the player experience, effectively sustaining player activity and solidifying user stickiness. During the Reporting Period, the game recorded a revenue of approximately RMB42.38 million.

Lost Light (迷途之光), launched in June 2024, is a pixel style rogue-like pop-up game that we introduced through in-licensing. During the Reporting Period, the R&D team enhanced gameplay innovation, continuously creating fresh experiences for players, complemented by precise user acquisition strategies to efficiently reach the target players. During the Reporting Period, the game recorded a revenue of approximately RMB11.43 million.

Ares Virus 2 (阿瑞斯病毒2), launched in August 2024, is an adventure survival RPG that we introduced through in-licensing and a sequel to *Ares Virus* (阿瑞斯病毒). During the Reporting Period, the game launched its anniversary version, completed over 10 special events and version updates, and drove strong performance in gross billings through refined content operations. During the Reporting Period, the game recorded a revenue of approximately RMB49.02 million.

Gumballs & Dungeons (不思議迷宮), launched in August 2016, is our self-developed Rogue-like RPG. Since its launch, nearly 26 million cumulative registered players were recorded as of December 31, 2025. After eight years, the Group launched a free-to-download-and-play version of *Gumballs & Dungeons* (不思議迷宮) in March 2025 on Steam, which has received enthusiastic responses from players, ranked the 6th on the global popular free games chart (Trending Free) and received an “Overwhelmingly Positive” rating. As of the end of February 2026, the downloads for the Steam version have surpassed a cumulative total of more than 570,000. The successful launch of the PC version effectively enhanced the overall popularity of the IP and revitalized the mobile version, with daily active users increasing by approximately 5,000 during the same period, demonstrating a strong cross-platform synergy effect. This also validates the positive results of the Group’s strategy to strengthen IP value and promote the long-term operation of classic products through multi-platform deployment. During the Reporting Period, the game recorded a revenue of approximately RMB7.75 million.

Tingus Goose (神經鵝), launched in December 2025 on the Steam platform, is a casual game that we introduced through in-licensing. The game combines a unique tone and bizarre art style. Players obtain continuous growth rewards through mechanisms such as placing props, synthetic mutations and idle AFK gameplay. Since its release, the game has achieved a “Very Positive” rating, quickly topping the popular new releases chart for Steam in multiple regions, including the PRC, the United States, Europe, Australia, Japan and South Korea. It has also received recommendations from several renowned industry figures. The game has garnered over 90% positive reviews globally on Steam, received a nomination for the Best Overseas Game at the 2025 indiePlay China Indie Game Awards, won the Best Game Visual Award at INDIE POINTER 2025, and received Featured Work recognition at INDIE Live Expo, the largest independent game information program in Asia. As of February 2026, the game had sold 76,000 copies.

Other major games such as ***Eternal Adventure*** (無盡大冒險) (launched in June 2015, one of our self-developed classic games that combines the features of idle gameplay experience and Diablo-like adventure), ***Ares Virus*** (阿瑞斯病毒) (launched in August 2018, our survival RPG introduced through in-licensing), ***Servitor Project*** (使魔計劃) (launched in January 2023, our self-developed strategy card game), ***Time Voyager*** (時光旅行社) (launched in December 2023, our self-developed infinite stream casual idle game) and others continued to contribute steady revenue to the Group. The abovementioned games and the mini program game version of ***The Marvelous Snail/SuperSnail*** (最強蝸牛) recorded revenues of approximately RMB12.08 million in total during the Reporting Period.

Player Community

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

As of December 31, 2025, our games had accumulated 16.2352 million QingCi Enthusiasts who contacted us through our official accounts and groups on social media platforms, such as Tencent QQ, WeChat, TapTap and Bilibili, representing an increase of 2.48% as compared with the same period last year. Our frequent and close interactions with QingCi Enthusiasts create a virtuous circle as the feedback from the player community can help us to develop and improve our games, thereby attracting more active players.

Outlook and Development Strategy

Currently, the global gaming market is undergoing profound changes. On the one hand, user demand for high-quality and innovative content continues to grow, providing vast opportunities for companies with core R&D capabilities; on the other hand, intensifying market competition has placed higher demands on precise product positioning, refined operations and global publishing capabilities.

The Group's core strengths lie in: 1) a highly creative and execution-driven team with integrated R&D and operations; 2) its globally established publication network with a successful track record; and 3) its proven ability to operate premium games over a long term and generate sustained revenue. However, we also proactively cope with the challenges we face: major products have reached their maturity stage, and we need to drive the next phase of growth through continuous introduction of new games that resonate with players; meanwhile, we will advance large-scale self-developed projects and global simultaneous releases, which will inevitably expose us to challenges related to R&D cycle, cost control and market uncertainties.

Based on this, the Group's long-term strategy is: to build a core competitive barrier through "premiumization" R&D, to fully unlock product value through "globalization" releases and to solidify our performance foundation through "long-term development", ultimately becoming a game company with a diversified product matrix and outstanding global influence.

To implement the abovementioned strategy, the Group has formulated a clear implementation path, which includes:

I. Advancing Key Projects with Full Force to Create New Growth Drivers

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

Title	Game Genre	Source	Development Stage as of December 31, 2025	Expected Launch Time
<i>Cardcaptor Sakura: Memory Key</i> (魔卡少女櫻：回憶鑰匙) (in Japan)	Casual game	In-licensed	Game production, testing and optimization	2026
<i>The Marvelous Snail/SuperSnail</i> (最強蝸牛) (in South Korea)	Casual game	Development in-house	Game production, testing and optimization	2026
迪士尼：書境傳奇	Card RPG	In-licensed	Game production, testing and optimization	2026
<i>Project E</i>	SLG	Development in-house	Game production, testing and optimization	2027
<i>Project W</i>	Card RPG	In-licensed	Game production, testing and optimization	2027
<i>Project HA</i>	Card RPG	In-licensed	Game production, testing and optimization	2028
<i>Project F</i>	Survival socialization	In-licensed	Game production, testing and optimization	2028

Over the next three years, the Group will enter a phase of concentrated investment in R&D and publication to drive the successful launch of its key strategic projects and to continuously strengthen its global publication and operating capabilities, including:

1. *The Self-Developed Flagship Project E (項目E): Building a Global Benchmark to Drive Future Growth*

The project represents the culmination of the Group's R&D capabilities, with the goal to become our next-generation global flagship product. It aims to establish the Group's leadership in gameplay and content innovation and break into brand-new user segments.

Currently, the project has entered the testing and optimization phase, with the core team numbering nearly 150 members. As the project advances further, the Group will coordinate and continuously optimize staffing and resource allocation in a reasonable manner based on the development needs at various stages. At the same time, we will actively leverage emerging technologies such as AI to empower R&D and implementation efforts, thereby further enhancing the advancement efficiency and implementation quality for the project. The Group expects to maintain significant R&D investment in the project over the next three years (2026 to 2028).

The project is planned to conduct broader scope testing in 2026, and is expected to be launched successively across major global markets (including Mainland China, HMT regions, Japan, South Korea, Southeast Asia, Europe and the United States) in 2027. Given its positioning as a global flagship and the current market environment, the Group has allocated sufficient publishing and marketing budgets to enable the product to achieve sufficient market presence and user coverage upon launch. At the same time, the Group will continue to monitor market and industry developments, and will formulate, dynamically adjust and implement corresponding marketing strategies as appropriate in light of its actual operating conditions.

2. *Key Collaboration Project 迪士尼：書境傳奇: The Group Expanding its Reach to a Broader User Base and Unlocking the Value of the Game*

The Group can reach a broader user demographic by publishing the game, breaking through existing user segments. The project is undergoing testing and localization as scheduled. The project is expected to be launched first in Mainland China in 2026, followed by a phased release in regions such as HMT regions, Southeast Asia and South Korea.

The Group has allocated dedicated publishing and marketing resources in this regard to support its successful launch and ongoing operations in target markets. We will also closely track market dynamics, taking into account industry trends and the competitive landscape, to continuously optimize and dynamically adjust our marketing and publishing strategies in order to adapt to market changes and enhance overall operational efficiency.

3. *Deepening the Global Publishing Matrix: Expanding into Key Regions and Improving Global Plan*

The Group will continue to deepen its publishing and operational capabilities in key regions. By promoting the release of *Cardcaptor Sakura: Memory Key* (魔卡少女櫻：回憶鑰匙) in Japan and the release of *The Marvelous Snail/SuperSnail* (最強蝸牛) in South Korea, the Group will further consolidate its global operational capabilities. This aims to diversify our global product portfolio, explore incremental overseas opportunities for mature and high-quality products, and accumulate experience while solidifying the operational foundation for the future global simultaneous launch of more products. Operation budgets in relation to the marketing and localization for these initiatives have been incorporated into our planning to promote the successful deployment and development of our products in target regions.

II. *Full deployment of AI Applications to Drive R&D and Operational Efficiency and Intelligent Decision-Making*

To address the increasingly complex market environment and enhance our core competitiveness, the Group comprehensively deepened the application of AI technology across the entire process of game R&D, operations and management during the Reporting Period. We have elevated AI from a supporting tool to a core productivity engine, achieving increased efficiency, creative inspiration and optimized decision-making through systematic deployment. Looking ahead, the Group will continue to fully embrace the application of emerging technologies like AI. We plan to build an integrated, intelligent data analysis platform to achieve timely monitoring and deep insights into operational data across all global regions. We will also establish an intelligent knowledge base, leveraging AI to enhance the efficiency of information retrieval and integration, thereby accumulating experience and providing strong support for refined version management and agile responses to market demands.

Looking ahead, the Group will leverage its thriving, evergreen games as a bedrock to drive the development and launch of key projects such as *Project E* (項目E) and *迪士尼：書境傳奇* with full commitment, while continuing to enrich our product pipeline and actively expanding into global markets. Remaining player-centric and premium quality oriented, we will relentlessly reinforce our capabilities in R&D and operation integration, so as to bring a high-quality gameplay experience to our players all over the world and create long-term and sustainable value for our Shareholders.

FINANCIAL REVIEW

Revenue

Our revenue decreased by 27.4% from approximately RMB628.0 million for the year ended December 31, 2024 to RMB456.1 million for the year ended December 31, 2025 on a year-on-year basis. In 2025, our revenue from Mainland China was RMB259.1 million, accounting for 56.8% of total revenue, compared to 56.1% in 2024; our revenue from other areas was RMB197.0 million, accounting for 43.2% of total revenue, compared to 43.9% in 2024. Our revenue is mainly derived from (i) game operating business where we generate revenues primarily from the sales of in-game virtual items; (ii) game licensing business where we generate revenues from license fees paid by third-party publishers; (iii) information services business where we generate revenues from providing performance-based in-game marketing and promotion services to advertisers or their agents who promote their customers' products in our games to players; and (iv) other services and sales where we generate revenues from sales of game peripheral products and provision of technical services.

The following table sets forth a breakdown of our revenues by line of business for the years ended December 31, 2025 and 2024.

	For the year ended December 31,				2025 vs.
	2025		2024		2024
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	% Change
Game operating revenues					
Self-developed	282,812	62.0	365,175	58.2	(22.6)
Licensed	158,062	34.7	228,258	36.3	(30.8)
<i>Subtotal</i>	440,874	96.7	593,433	94.5	(25.7)
Game licensing revenue	5,511	1.2	11,060	1.8	(50.2)
Information service revenue	5,499	1.2	16,261	2.6	(66.2)
Other services and sales	4,193	0.9	7,208	1.1	(41.8)
Total revenues	456,077	100.0	627,962	100.0	(27.4)

Game Operating Revenues

Our game operating revenues decreased by 25.7% to approximately RMB440.9 million for the year ended December 31, 2025 on a year-on-year basis, primarily due to the natural decline of users as some games are in maturity stage; meanwhile, we have mitigated the decline in game revenue by continuously launching brand-new games, brand-new game versions and optimizing game content to enhance users' overall spending. Specifically:

- our revenue from self-developed games decreased by 22.6% to approximately RMB282.8 million for the year ended December 31, 2025 on a year-on-year basis, primarily due to the decline in revenue as *The Marvelous Snail/SuperSnail* (最強蝸牛) is in maturity stage; and
- our revenue from licensed games decreased by 30.8% to approximately RMB158.1 million for the year ended December 31, 2025 on a year-on-year basis, primarily due to the decline in revenue from *Sword and Fairy: Wen Qing* (新仙劍奇俠傳之揮劍問情), *Fat Goose Gym* (肥鵝健身房), *Cardcaptor Sakura: Memory Key* (魔卡少女櫻：回憶鑰匙) (in Mainland China and HMT regions), partially offset by the increase in revenue resulting from the launch of *Tingus Goose* (神經鵝), the launch of *Cardcaptor Sakura: Memory Key* (魔卡少女櫻：回憶鑰匙) in Vietnam, *Ares Virus 2* (阿瑞斯病毒2) and *Lost Light* (迷途之光).

Game Licensing Revenue

Our game licensing revenue decreased by 50.2% to approximately RMB5.5 million for the year ended December 31, 2025 on a year-on-year basis, primarily due to the fact that *The Marvelous Snail/SuperSnail* (最強蝸牛) in HMT regions transitioned from external licensing to direct operations by the Group during the Reporting Period.

Information Service Revenue

Our information service revenue decreased by 66.2% to approximately RMB5.5 million for the year ended December 31, 2025 on a year-on-year basis, primarily due to the decrease in in-game advertisement views or clicks.

Other Services and Sales

Our other services and sales revenues decreased by 41.8% to approximately RMB4.2 million for the year ended December 31, 2025 on a year-on-year basis, primarily due to the decrease in revenue from commissioned R&D, revenue generated from sales of peripheral products and through marketing and promotion on third-party platforms and others.

Cost of Revenues

Our cost of revenues decreased by 26.5% from approximately RMB264.8 million for the year ended December 31, 2024 to RMB194.8 million for the year ended December 31, 2025 on a year-on-year basis. Our cost of revenues primarily consisted of (i) commissions charged by distribution and payment channels, representing revenue share payments to third-party distribution platforms and payment service providers for our self-published games; (ii) commissions charged by third-party game developers and IP holders; (iii) bandwidth and servers custody fee; (iv) employee benefits expenses related to our system maintenance and customer service personnel, including wages, salaries, bonuses, social insurance contributions and other employee benefits; and (v) others, including outsourced technical service fees for short messaging services, professional service fees, the impairments of prepayments to some game developers which were included in the cost of revenues, and miscellaneous expenses.

The following table sets forth our cost of revenues by nature in absolute amounts and as percentages of our total cost of revenues for the years ended December 31, 2025 and 2024.

	For the year ended December 31,				2025 vs. 2024 % Change
	2025		2024		
	RMB'000	%	RMB'000	%	
Commissions charged by distribution and payment channels	101,708	52.2	137,771	52.0	(26.2)
Commissions charged by third-party game developers and IP holders	44,571	22.9	58,061	21.9	(23.2)
Bandwidth and servers custody fee	14,647	7.5	18,016	6.8	(18.7)
Employee benefits expenses	11,901	6.1	14,096	5.3	(15.6)
Others	21,963	11.3	36,903	14.0	(40.5)
Total	194,790	100.0	264,847	100.0	(26.5)

Our cost of revenue for commissions charged by distribution and payment channels decreased by 26.2% to approximately RMB101.7 million for the year ended December 31, 2025 on a year-on-year basis, primarily due to the decreased commissions paid to distribution and payment channels as a result of the decrease in game operating revenue.

Our cost of revenue for commissions charged by third-party game developers and IP holders decreased by 23.2% to approximately RMB44.6 million for the year ended December 31, 2025 on a year-on-year basis, primarily due to the decreased commissions paid to third-party developers and IP holders as a result of the decrease in revenue from licensed games brought about by *Sword and Fairy: Wen Qing* (新仙劍奇俠傳之揮劍問情), *Cardcaptor Sakura: Memory Key* (魔卡少女櫻：回憶鑰匙) (in Mainland China and HMT regions) and others, partially offset by the increased commissions paid to third-party developers as a result of the increase in revenue from the licensed game *Ares Virus 2* (阿瑞斯病毒2).

Our cost of revenue for employee benefits expenses decreased by 15.6% to approximately RMB11.9 million for the year ended December 31, 2025 on a year-on-year basis, primarily due to the decrease in number of customer service center employees, which led to the decrease in our employee expenses as compared to the same period last year.

Our cost of revenue for others decreased by 40.5% to approximately RMB22.0 million for the year ended December 31, 2025 on a year-on-year basis, primarily due to (i) the Group's refined management and the decrease in outsourcing technical service fee related to customer service; and (ii) the decreased impairment in the prepayments made to some game developers as compared with the same period last year, and such impairment was included in the cost of revenues.

Gross Profit and Gross Margin

Our gross profit decreased by 28.0% from approximately RMB363.1 million for the year ended December 31, 2024 to approximately RMB261.3 million for the year ended December 31, 2025. Our gross margin for the year ended December 31, 2025 amounted to 57.3%, which remained generally flat as compared with 57.8% for the same period last year.

Selling and Marketing Expenses

Our selling and marketing expenses consisted of (i) marketing and promotion expenses paid to our online and offline marketing service providers, including traffic acquisition and brand marketing and promotion expenses, which represented 59.3% and 76.0% of our total selling and marketing expenses for the years ended December 31, 2025 and 2024, respectively; (ii) employee benefits expenses related to our sales and marketing personnel; and (iii) others, including office expenses incurred for our sales and marketing activities and miscellaneous expenses.

Our selling and marketing expenses decreased by 52.5% from approximately RMB216.0 million for the year ended December 31, 2024 to approximately RMB102.6 million for the year ended December 31, 2025. This was primarily due to the Group's efficient operational management and cost control, which led to the significant decrease in selling and marketing expenses of *Fat Goose Gym* (肥鵝健身房), *The Marvelous Snail/SuperSnail* (最強蝸牛) and *Sword and Fairy: Wen Qing* (新仙劍奇俠傳之揮劍問情) and others, partially offset by the increase in the selling and marketing expenses of *Ares Virus 2* (阿瑞斯病毒2), *Lost Light* (迷途之光) and others.

R&D Expenses

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

Our R&D expenses amounted to approximately RMB104.9 million for the year ended December 31, 2025, which remained generally flat as compared with RMB106.1 million for the same period last year.

General and Administrative Expenses

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

Our general and administrative expenses amounted to approximately RMB61.4 million for the year ended December 31, 2025, which remained generally flat as compared with RMB61.0 million for the same period last year.

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

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

Our fair value changes on investments measured at fair value through profit or loss increased by 120.9% from gains of approximately RMB60.9 million for the year ended December 31, 2024 to gains of approximately RMB134.5 million for the year ended December 31, 2025, mainly due to the increase in the fair value gains from investment funds and wealth management products resulting from factors such as the relatively high USD interest rate environment and strong performance in major global capital markets (e.g., US stocks, A-share stocks and Hong Kong stocks).

Other Income

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

Our other income decreased by 49.6% from approximately RMB6.1 million for the year ended December 31, 2024 to approximately RMB3.1 million for the year ended December 31, 2025, mainly due to the decrease in government subsidies.

Net Other Losses

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

Our net other losses decreased by 23.5% from net losses of approximately RMB4.7 million for the year ended December 31, 2024 to net losses of approximately RMB3.6 million for the year ended December 31, 2025, primarily due to (i) the depreciation of USD against RMB in 2025, hence the depreciation of the USD holdings of subsidiaries of the Group (their functional currencies being RMB), the appreciation of USD against JPY, hence the depreciation of the JPY holdings of subsidiaries of the Group (their functional currencies being USD); and (ii) the Group's healthy foreign exchange management practices, which reduced the scale of its holdings of domestic USD and JPY, resulting in a significant decrease in exchange losses caused by currency depreciation as compared to the same period last year.

Income Tax Credit/(Expenses)

Our income tax decreased from income tax credit of approximately RMB0.1 million for the year ended December 31, 2024 to income tax expenses of approximately RMB8.2 million for the year ended December 31, 2025, mainly due to the utilization and reversal of part of the previously recognized deferred tax assets by the Group during the Reporting Period.

Profit for the Year

Our profit for the year increased by 161.7% from a net profit of approximately RMB47.1 million for the year ended December 31, 2024 to a net profit of approximately RMB123.3 million for the year ended December 31, 2025, which was mainly attributable to (i) the Group's efficient operations management and cost control, and the significant decrease in the Group's marketing expenses, etc. as compared to the same period in 2024; and (ii) the increase in fair value gains on the Group's short-term investments. The increase in net profit of the Group was partially offset by the decreased gross profit resulting from the natural decline in gross billings of games. The return on equity is calculated by the profit attributable to equity holders of the Company divided by the average of opening and closing equity attributable to equity holders of the Company. The return on equity for the years ended December 31, 2025 and 2024 were approximately 6.54% and 2.87% respectively.

Liquidity, Capital Resources and Gearing Ratio

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

As of December 31, 2025, the Group's total cash and cash equivalents amounted to approximately RMB444.3 million, which remained generally flat as compared with approximately RMB450.0 million as of December 31, 2024.

As of December 31, 2025, we had borrowings of approximately RMB10.0 million. As of the same date, we still had a banking credit facility of approximately RMB80.0 million, and we did not draw down the facility as deposit to secure our obligations under our foreign currency forward contract.

As of December 31, 2025, the current assets of the Group amounted to approximately RMB1,806.7 million, and the current liabilities of the Group amounted to approximately RMB149.5 million (including interest-bearing liabilities of RMB10 million). As of December 31, 2024, the Group's current assets amounted to approximately RMB1,686.9 million and the Group's current liabilities amounted to approximately RMB165.5 million. Current ratio is calculated as total current assets divided by total current liabilities. As of December 31, 2025 and 2024, the current ratio of the Group was approximately 1,208% and 1,019%, respectively.

As of December 31, 2025, the distribution of the number of days required for the Group’s short-term investments to be converted into available cash is as follows:

Structure for Liquidity of Short-term Investments

Days Required to Realize Investments	Net Value as a Percentage of Total Short-term Investments as of the end of 2025
1~30	75.8%
31~90	23.9%
91~360	0.3%
	<hr/>
Total	<u><u>100.0%</u></u>

Gearing ratio is calculated as total liabilities divided by total assets. As of December 31, 2025 and 2024, the gearing ratio of the Group was 7% and 9%, respectively.

Material Acquisitions and Disposals and Significant Investments

As at December 31, 2025, the Group’s short-term investments measured at fair value through profit or loss increased by 11.1% from approximately RMB1,146.2 million as at December 31, 2024 to approximately RMB1,273.1 million as at December 31, 2025. The short-term investments mainly included investment funds and wealth management products. The increase was mainly attributable to (i) the increase in the fair value gains from investment funds and wealth management products resulting from factors such as the relatively high interest rate environment in the US dollar and strong performance in major global capital markets (e.g., US stocks, A-share stocks and Hong Kong stocks); and (ii) the increase in our allocation to funds and wealth management products in order to improve the Group’s utilization of its own funds during the Reporting Period. For the year ended December 31, 2025, no single investment of the Group accounted for more than 5% of the total assets of the Group.

Except for the above, the Group did not have any material acquisitions and disposals and significant investments during the year ended December 31, 2025.

Investment Policy

The Company has established a robust external investment management policy (the “**Investment Policy**”). The Investment Policy is formulated in accordance with, among others, the Company Law of the PRC, the Listing Rules and the Company’s articles of association.

Scope of Investments

The Investment Policy permits three categories of external investments (being investment activities conducted domestically or overseas by the Company aimed at implementing its corporate or business strategy, or preservation and appreciation of value):

- equity investments in other enterprises (including establishment of new entities, capital injection and acquisition of equity interests);
- financial investments (including purchase of trading financial assets and available-for-sale financial assets, provision of loans (including entrusted loans) and entrusted wealth management); and
- other investments.

Further, the Company has a list of assets that it refrains from investing in as set out below:

- investment projects that are disproportionate to the Company's asset size, level of debt-to-asset, actual financing capacity and operational capabilities;
- private credit;
- cryptocurrencies or NFT assets;
- funds or other financial products that are not validly registered under applicable laws;
- junk bonds;
- real estates for investment purpose; and
- luxury assets such as art, jewelry and wine.

Purpose of Investments

All investments must comply with relevant laws and industry related policies, align with the Company's development strategy, enhance competitiveness, facilitate the reasonable allocation of corporate resources, create favorable economic outcomes and promote sustainable development.

Governance and Oversight

The Company has a tiered approval structure for external investments. Depending on the category of external investments, transaction size and financial metrics, the Shareholders, the Board and/or the Chief Executive Officer (“CEO”) serve as the decision-making bodies for external investments. Where required, such investment should also be disclosed in a timely manner in accordance with relevant laws and regulations, information disclosure rules and requirements under the Listing Rules.

The Board should regularly monitor the implementation progress and returns of major investment projects. If any investment portfolio fails to achieve the expected project returns or incurs investment losses, the Board shall identify the reasons and determine the appropriate measures. The CEO is responsible for leading the external investment projects.

Investment exit is permitted in circumstances as specified in the Investment Policy, such as poor performance, expiry of operating period, strategic misalignment and the Company’s voluntary decision to exit the investment based on its funding arrangements.

The Board considers that its investment strategy aligns with the Company’s corporate strategy and core business. The Company’s main investment strategy involves (i) long-term industrial investments in companies that may have synergies with the Company’s core businesses, including, but not limited to, investments in game companies and investments in art or animation companies to enhance product development efficiency; and (ii) short-term financial investments with the objective to obtain stable financial returns within the Company’s risk tolerance. One of the Company’s purposes of investment is to reasonably allocate the Company’s resources and create favorable economic outcomes while maintaining orderly operations of the Company’s core business. On the one hand, the Company has set aside sufficient funds for its core business before investing, and the Company’s external investment activities do not negatively impact the operation of the Company’s core business. On the other hand, based on different nature of investments (industrial investment or financial investment), external investments allow the Company to utilize its reserves in obtaining external resources to support its core business, or directly obtain working capital, forming a virtuous circle, in line with the Company’s corporate strategy to promote the development of the Company and enhance the long-term interests of the Shareholders.

Future Plans for Material Investments and Capital Assets

As at December 31, 2025, the Group did not have any plans for material investments and capital assets.

Pledge of Assets

As of December 31, 2025, we did not pledge any of our assets.

Capital Expenditure

For the year ended December 31, 2025, our total capital expenditure was approximately RMB3.2 million, compared to approximately RMB2.4 million for the year ended December 31, 2024. Our capital expenditure mainly related to the purchase of office equipment. We funded these expenditures with cash generated from our operating activities. We plan to fund our future capital expenditures with our cash from operating activities.

Contingent Liabilities

As of December 31, 2025, we did not have any material contingent liabilities.

Foreign Exchange Risk Management

We operate globally through overseas third-party distribution channels and are exposed to foreign exchange risk arising from various currency exposures, mainly including USD and JPY. Our foreign exchange risk primarily arose from recognized assets and liabilities when receiving or to receive foreign currencies from overseas counterparties. We managed our foreign exchange risk exposures through foreign currency forward contracts during the year ended December 31, 2025.

Employee and Remuneration Policy

As of December 31, 2025, we had 542 full-time employees, substantially all of whom were based in Mainland China and 17 of whom were based overseas.

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December,	
		2025	2024
	Notes	RMB'000	RMB'000
Revenue	3	456,077	627,962
Cost of sales	4	<u>(194,790)</u>	<u>(264,847)</u>
Gross profit		261,287	363,115
Selling and marketing expenses	4	(102,595)	(215,978)
Research and development expenses	4	(104,904)	(106,142)
General and administrative expenses	4	(61,399)	(61,027)
Net impairment losses on financial assets	4	(513)	132
Fair value changes on investments measured at fair value through profit or loss		134,537	60,915
Other income	5	3,088	6,123
Other losses, net	6	<u>(3,633)</u>	<u>(4,746)</u>
Operating profit		125,868	42,392
Finance income		8,944	12,142
Finance costs		<u>(1,741)</u>	<u>(2,135)</u>
Finance income, net		7,203	10,007
Share of results of investments accounted for using equity method		1,317	(397)
Losses on impairment of investments accounted for using the equity method		<u>(2,882)</u>	<u>(4,976)</u>
Profit before income tax		131,506	47,026
Income tax expenses	7	<u>(8,167)</u>	<u>102</u>
Profit for the year		<u>123,339</u>	<u>47,128</u>
Other comprehensive income:			
Items that may be reclassified to profit or loss			
– Currency translation differences		<u>(30,102)</u>	<u>16,833</u>
Total comprehensive income for the year		<u>93,237</u>	<u>63,961</u>

		Year ended 31 December,	
		2025	2024
	<i>Notes</i>	RMB'000	RMB'000
Profit/(loss) for the year attributable to:			
Equity holders of the Company		121,749	51,120
Non-controlling interests		<u>1,590</u>	<u>(3,992)</u>
		<u>123,339</u>	<u>47,128</u>
Total comprehensive income/(loss) for the year attributable to:			
Equity holders of the Company		91,494	68,246
Non-controlling interests		<u>1,743</u>	<u>(4,285)</u>
		<u>93,237</u>	<u>63,961</u>
Earnings per share for profit for the year attributable to the equity holders of the Company			
Basic earnings per share (RMB)	8	<u>0.18</u>	<u>0.07</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December,	
		2025	2024
	Notes	RMB'000	RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		10,212	14,055
Right-of-use assets		8,640	18,279
Intangible assets		998	1,536
Deferred tax assets		21,953	29,841
Investments accounted for using the equity method		31,034	32,863
Long-term investments measured at fair value through profit or loss		148,055	161,254
Prepayments, deposits and other assets		<u>23,849</u>	<u>36,363</u>
		<u>244,741</u>	<u>294,191</u>
Current assets			
Trade receivables	9	29,001	39,198
Inventories		1,521	1,022
Prepayments, deposits and other assets		58,779	50,459
Short-term investments measured at fair value through profit or loss		1,273,075	1,146,208
Cash and cash equivalents		<u>444,310</u>	<u>449,975</u>
		<u>1,806,686</u>	<u>1,686,862</u>
Total assets		<u><u>2,051,427</u></u>	<u><u>1,981,053</u></u>
EQUITY			
Share capital	10	44	44
Share premium	10	5,117,821	5,117,821
Other reserves		(2,922,662)	(2,893,722)
Accumulated deficit		<u>(286,819)</u>	<u>(408,568)</u>
Equity attributable to equity holders of the Company		<u>1,908,384</u>	<u>1,815,575</u>
Non-controlling interests		<u>(8,326)</u>	<u>(8,754)</u>
Total equity		<u><u>1,900,058</u></u>	<u><u>1,806,821</u></u>

		As at 31 December,	
		2025	2024
	<i>Notes</i>	RMB'000	RMB'000
LIABILITIES			
Non-current liabilities			
Lease liabilities		1,824	8,694
Deferred tax liabilities		—	21
		<u>1,824</u>	<u>8,715</u>
Current liabilities			
Trade payables	11	22,279	25,163
Other payables and accruals		63,629	64,723
Contract liabilities		44,461	38,849
Current income tax liabilities		1,244	4,944
Lease liabilities		7,932	11,864
Borrowings		10,000	19,974
		<u>149,545</u>	<u>165,517</u>
Total liabilities		<u><u>151,369</u></u>	<u><u>174,232</u></u>
Total equity and liabilities		<u><u>2,051,427</u></u>	<u><u>1,981,053</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

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

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

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations (collectively “**HKFRS Accounting Standards**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited including the disclosure provisions of the Hong Kong Companies Ordinance.

The preparation of the consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas where significant judgments and estimates have been made in preparing the consolidated financial statements and their effect are disclosed.

(a) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2025:

HKAS 21	Lack of Exchangeability (amendments)
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These standards and amendments listed above did not have any impact on the amounts recognized in prior periods or disclosure are not expected to significantly affect the current or future periods.

(b) New standards and amendments not yet adopted by the management of the Group

There are a number of standards, amendments to standards, and interpretations which have been issued by the HKICPA that are effective in future accounting periods that the Group has decided not to adopt early.

The following amendments are effective for the period beginning on or after 1 January 2026:

- Classification and Measurement of Financial Instruments (Amendments to HKFRS 9 and HKFRS 7)
- Annual Improvements to HKFRS Accounting Standards – Volume 11 (Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7)
- Contracts Referencing Nature-dependent Electricity (amendments) (Amendments to HKFRS 9 and HKFRS 7)

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to HKFRS 10 and HKAS 28)

The following amendments are effective for the period beginning on or after 1 January 2027:

- Presentation and Disclosure in Financial Statements (new standard) (Amendments to HKFRS 18)
- Subsidiaries without Public Accountability: Disclosures (new standard) (Amendments to HKFRS 19)

Except for HKFRS 18 which would affect the presentation and disclosure of the Group's financial statements, these standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

HKFRS 18 “Presentation and Disclosure in Financial Statements”

HKFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the HKICPA in July 2024 supersedes HKAS 1 and will result in major consequential amendments to HKFRS Accounting Standards including HKAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though HKFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

3. SEGMENT INFORMATION AND REVENUE

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

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

Revenue for the years ended 31 December 2024 and 2025 are as follows:

	Year ended 31 December,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Game operating revenues		
– Self-developed	282,812	365,175
– Licensed	158,062	228,258
Subtotal	440,874	593,433
Game licensing revenue	5,511	11,060
Information service revenue	5,499	16,261
Other revenue	4,193	7,208
Total revenues	456,077	627,962
Cost of revenues	(194,790)	(264,847)
Gross profit	261,287	363,115
Gross margin	57%	58%

Revenues of approximately RMB24 million and RMB 11 million for the years ended 31 December 2024 and 2025, respectively, were from five largest single customers.

During the years ended 31 December 2024 and 2025, none of single customers individually exceeded 10% of the Group's revenue.

The table below sets forth a breakdown of the Group's revenue by timing of recognition for the years ended 31 December 2024 and 2025, respectively:

	Year ended 31 December,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Over the time	195,754	264,916
At a point in time	260,323	363,046
	456,077	627,962

The table below sets forth a breakdown of the Group's total revenue by geographical areas for the years ended 31 December 2024 and 2025, respectively:

	Year ended 31 December,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Mainland China	259,115	352,084
Other areas (a)	196,962	275,878
Total	<u>456,077</u>	<u>627,962</u>

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

4. EXPENSES BY NATURE

	Year ended 31 December,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Marketing and promotion expenses	60,828	164,213
Employee benefits expenses	184,492	191,028
Commissions charged by distribution channels	100,423	136,066
Commissions charged by game developers and IP holders	44,572	58,061
Impairment of non-financial assets	13,503	22,467
Impairment of intangible assets	308	–
Impairment of property, plant and equipment	469	–
Bandwidth and server custody fee	14,647	18,016
Outsourced technical services	6,646	11,282
Professional services fee	6,440	9,374
Office expenses	8,212	10,476
Depreciation of right-of-use assets	8,570	10,464
Depreciation of property, plant and equipment	5,682	5,345
Amortization of intangible assets	660	295
Auditor remuneration		
– Audit service	2,700	2,700
– Non-audit service	280	102
Commissions charged by payment channel	1,284	1,705
Tax surcharges	513	1,159
Rental expenses and utilities	1,670	1,382
Others	1,789	3,727
Total	<u>463,688</u>	<u>647,862</u>

5. OTHER INCOME

	Year ended 31 December,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Government subsidies	2,105	4,311
Dividend distribution from long-term investments measured at fair value through profit or loss	570	1,812
Other	413	—
Total	<u>3,088</u>	<u>6,123</u>

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

6. OTHER LOSSES, NET

	Year ended 31 December,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Foreign exchange losses, net	(3,442)	(4,353)
Donations to charity organizations	(68)	(296)
Others	(123)	(97)
Total	<u>(3,633)</u>	<u>(4,746)</u>

7. INCOME TAX

The income tax of the Group for the years ended 31 December 2024 and 2025 is analyzed as follows:

	Year ended 31 December,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Current income tax	429	6,494
Deferred income tax	7,738	(6,596)
Total income tax expenses	<u>8,167</u>	<u>(102)</u>

8. EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders of the Company by the weighted average number of outstanding shares during the years ended 31 December 2024 and 2025.

	Year ended 31 December,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Profit attributable to ordinary shareholders of the Company (<i>RMB'000</i>)	121,749	51,120
Weighted average number of outstanding ordinary shares	691,330,500	691,330,500
Basic earnings per share (<i>RMB</i>)	0.18	0.07

9. TRADE RECEIVABLES

	Year ended 31 December,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Distribution channels	24,419	31,826
Game publishers	686	4,449
Information service customers	2,603	2,348
Others	1,404	610
	29,112	39,233
Less: allowance for impairment	(111)	(35)
	29,001	39,198

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

	Year ended 31 December,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 3 months	27,726	36,785
3 months to 6 months	571	1,682
6 months to 1 year	576	762
1 to 2 years	239	4
	29,112	39,233

10. SHARE CAPITAL AND SHARE PREMIUM

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

11. TRADE PAYABLES

	As at 31 December, 2025 RMB'000	2024 RMB'000
Trade payables	<u>22,279</u>	<u>25,163</u>

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

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

	As at 31 December, 2025 RMB'000	2024 RMB'000
Within 3 months	13,999	19,896
Over 3 months	<u>8,280</u>	<u>5,267</u>
	<u>22,279</u>	<u>25,163</u>

12. DIVIDEND DISTRIBUTION

	As at 31 December, 2025 RMB'000	2024 RMB'000
Dividend distribution	<u>–</u>	<u>–</u>

No dividend has been paid or declared by the Company during the year ended 31 December 2025.

OTHER INFORMATION

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

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

EVENTS AFTER THE REPORTING PERIOD

There are no material subsequent events undertaken by the Group after December 31, 2025 and up to the date of this announcement.

USE OF NET PROCEEDS FROM LISTING

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

As at the date of this announcement, there was no change in the intended use of net proceeds as previously disclosed in the section headed “Future Plans and Use of proceeds” in the Prospectus. The table below sets out the planned usage of the net proceeds from the Global Offering and actual usage up to December 31, 2025:

Use of proceeds	Net proceeds from the Global Offering (after taking into account the partial exercise of the over-allotment option) (HK\$ million)	Utilized	Amount	Utilized	Unutilized	Expected timeline for fully utilizing the unutilized amount ⁽¹⁾
		amount up to December 31, 2024 (HK\$ million)	utilized during the Reporting Period (HK\$ million)	amount up to December 31, 2025 (HK\$ million)	amount up to December 31, 2025 (HK\$ million)	
For expanding our game portfolio and invest in our game R&D capabilities and related technologies	324.0	308.8	15.2	324.0	–	N/A
For expanding our business in the overseas markets	231.4	231.4	–	231.4	–	N/A
For strengthening our game publication and operation capabilities in China’s mobile game market and the market recognition of our “QingCi” brand and our IPs	138.9	116.4	10.2	126.6	12.3	By December 2026
For pursuing strategic investments in and acquisitions of upstream and downstream companies along the mobile game industry chain	138.9	138.9	–	138.9	–	N/A
For working capital and general corporate purposes	92.6	92.6	–	92.6	–	N/A
Total	925.8	888.0	25.5	913.5	12.3	

Note:

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

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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

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

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

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this announcement, the Company has maintained the prescribed minimum public float under the Listing Rules.

AUDIT COMMITTEE

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

The Audit Committee has reviewed the results of the Group for the year ended December 31, 2025 together with the Group's auditor, BDO Limited, and has discussed with the management the accounting principles and practices adopted by the Group and its internal controls and financial reporting matters.

SCOPE OF WORK OF BDO LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto in this announcement of annual results for the year ended December 31, 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with HKSAAs, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by HKICPA, and consequently no assurance has been expressed by the auditor on this announcement of annual results.

ANNUAL GENERAL MEETING

It is proposed that the annual general meeting of the Company (the "2025 AGM") will be held on June 9, 2026. The notice of the 2025 AGM will be published on the websites of the Company (www.qcplay.com) and the Stock Exchange (www.hkexnews.hk) in April 2026.

FINAL DIVIDEND

The Board has resolved not to recommend payment of any final dividend for the year ended December 31, 2025 (for the year ended December 31, 2024: nil). In making this decision, the Board considered factors including the Group's profitability, cash flow, financial position, future capital requirements and business development plans, and is of the view that reinvesting profits to support R&D, innovation and global expansion at this stage of the Company's development represents the optimal path to maximizing the Shareholder value. This is particularly in light of the Company's substantial capital commitments in 2026, including its collaboration with Disney, 迪士尼：書境傳奇, the release of *Cardcaptor Sakura: Memory Key* (魔卡少女櫻：回憶鑰匙) in Japan and the release of *The Marvelous Snail/SuperSnail* (最強蝸牛) in South Korea.

Furthermore, the Board reviews the Company's dividend policy at least annually and will actively consider different measures to enhance Shareholders' return including declaring dividends or implementing share buy-backs.

CLOSURE OF REGISTER OF MEMBERS

In relation to the 2025 AGM

For ascertaining Shareholders' right to attend and vote at the 2025 AGM, the register of members of the Company will be closed from Thursday, June 4, 2026 to Tuesday, June 9, 2026, both days inclusive, during which period no transfer of Shares will be effected.

In order to be eligible to attend and vote at the forthcoming 2025 AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Wednesday, June 3, 2026 for registration. Shareholders whose names appear on the register of members of the Company on Tuesday, June 9, 2026 (being the record date) will be entitled to attend and vote at the 2025 AGM.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND THE ANNUAL REPORT

This announcement was published on the website of the Stock Exchange (www.hkexnews.hk) and on the website of the Company (www.qcplay.com). The annual report for the year ended December 31, 2025 will be published on the websites of the Stock Exchange and the Company in April 2026.

DEFINITIONS

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

“2025 AGM”	the forthcoming annual general meeting of the Company to be held on June 9, 2026 or any adjournment thereof
“A-share stocks”	RMB-denominated stocks of companies incorporated in Mainland China trading on China's stock exchanges
“ARPPU”	average revenue per month per paying user, which is calculated by (i) dividing our revenue from a game for a specified period by the total MPUs of such game for that period; or (ii) dividing our total game revenue for a specified period by the aggregate of the total MPUs of all of our games for that period, as applicable
“ARPU”	average revenue per user

“Audit Committee”	the audit committee of the Board
“Average MAUs”	calculated by dividing (i) the total MAUs of a game, or (ii) the aggregate of the total MAUs of all of our games, as applicable, for a specified period by the number of months of that period. Our calculations of average MAUs did not consider each game’s data before its official launch
“Average MPUs”	calculated by dividing (i) the MPUs of a game, or (ii) the aggregate of the total MPUs of all of our games, as applicable, for a specified period by the number of months of that period. Our calculations of average MPUs did not consider each game’s data before its official launch
“Board” or “Board of Directors”	the board of Directors of the Company
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“CMGE”	CMGE Technology Group Limited, an exempted company incorporated in the Cayman Islands with limited liability whose shares are listed on the Stock Exchange (stock code: 0302)
“Company”	Qingci Games Inc. (青瓷游戏有限公司), an exempted company incorporated in the Cayman Islands with limited liability on March 12, 2021 and whose Shares are listed on the Stock Exchange
“Director(s)”	the director(s) of our Company
“Global Offering”	has the meaning ascribed to it under the Prospectus
“Group”, “the Group”, “we”, “us”, or “our”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HMT”	Hong Kong, Macao and Taiwan
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong stocks”	stocks trading on Hong Kong Exchanges and Clearing Limited

“JPY”	Japanese yen, the lawful currency of Japan
“Listing”	the listing of Shares on the Main Board of the Stock Exchange on December 16, 2021
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macao”	the Macao Special Administrative Region of the PRC
“Main Board”	the Main Board of the Stock Exchange
“MAU(s)”	monthly active user(s), which represents the number of active users during a specified calendar month
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
“MPU(s)”	monthly paying user(s), which represents the number of paying players during a specified calendar month
“PRC”, “Mainland China” or “China”	the People’s Republic of China, excluding, for the purposes of this announcement, Hong Kong, Macao and Taiwan
“Prospectus”	the prospectus issued by the Company on December 6, 2021 in connection with the Hong Kong public offering of the Shares
“R&D”	research and development
“Reporting Period”	twelve months from January 1, 2025 to December 31, 2025
“RMB”	Renminbi, the lawful currency of the PRC
“Rogue-like RPG”	a type of RPG, which allows players to explore and unlock new content by levels in various adventures that embed randomness and surprises through treasure hunt, map discovery and other unpredictable events. Players acquire a sense of excitement during such adventures and a sense of self-achievement as their game avatars grow through their efforts
“RPG”	the role-playing games
“Share(s)”	ordinary share(s) in the capital of the Company with nominal value of US\$0.00001 each

“Shareholder(s)”	holder(s) of Share(s)
“SLG”	the simulation games
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Taiwan”	Taiwan Province of the PRC
“treasury shares”	has the meaning ascribed to it under the Listing Rules
“USD” or “US\$”	United States Dollars, the lawful currency of the United States of America
“US stocks”	stocks trading on the major stock exchanges in the United States of America

APPRECIATION

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

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

Hong Kong, March 26, 2026

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