Qingci Games Inc.
青瓷游戏有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 6633)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2026

The Board of Directors of Qingci Games Inc. is pleased to announce the unaudited consolidated financial results of the Group for the six months ended June 30, 2026, together with the comparative figures for the six months ended June 30, 2025 as below.

The interim results of the Group for the six months ended June 30, 2026 have been reviewed by the Audit Committee and by BDO Limited, the independent auditor of the Company, in accordance with International Standard on Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity" issued by the International Auditing and Assurance Standards Board.

FINANCIAL HIGHLIGHTS

	For the six months ended June 30,		
	2026	2025	Change
	(RMB'000)	*(RMB'000)*	*(%)*
	(unaudited)	(unaudited)	
Revenue	**169,730**	247,180	(31)
Gross profit	**97,038**	154,148	(37)
Net profit	**316,145**	72,665	335
Profit attributable to equity holders of the Company	**315,284**	70,257	349

KEY OPERATING INFORMATION

	For the six months ended June 30,		
	2026	2025	Change *(%)*
Average MAUs *(in thousands)*[(1)]	**813**	1,144	(29)
Average MPUs *(in thousands)*[(2)]	**100**	141	(29)
Monthly ARPPU *(RMB)*[(3)]	**314**	290	8
Cumulative registered players *(in thousands)*	**103,293**	100,452	3

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.

(3) Our monthly ARPPU 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 Chinese Mainland 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.

Corporate Overview

According to the *Report on China's Gaming Industry from January to June 2026* released by the Game Publishing Committee of the China Audio-video and Digital Publishing Association, the actual sales revenue of China's gaming market reached RMB188.45 billion in the first half of 2026, representing a year-on-year increase of 12.17%. As of the end of June 2026, the number of game players reached 684 million, representing a year-on-year increase of 0.82%. Among these, the actual sales revenue of the mobile gaming market amounted to RMB135.21 billion, representing a year-on-year increase of 7.90%. During the Reporting Period, the Group's total sales in the global market were RMB170 million, of which the sales in the China market were RMB96 million. As of June 30, 2026, the number of the Group's cumulative registered players worldwide exceeded 103 million, representing an increase of 2.83% as compared with the same period last year.

During the Reporting Period, the Group continued to advance the long-term operation of its existing games, the R&D of its pipeline projects and the expansion of overseas markets, while continuously enhancing its core user operation and global publishing capabilities. Leveraging its sound performance in overseas expansion, the R&D expenses ratio, the proportion of overseas revenue, long-term operation performance of games and core user stickiness, the Group was awarded the title of "Strong Foundation Leading Game Enterprise" in the *2026 China Listed and Non-listed Game Enterprise Competitiveness Report* released by Gamma Data, with its comprehensive competitiveness recognized by the industry.

During the Reporting Period, in terms of financial performance, the Group recorded a revenue of RMB170 million, representing a decrease of 31.33% as compared with the same period last year, of which the proportion of overseas revenue accounted for 43.29%. The Group recorded a profit of RMB316.15 million, representing an increase of 335.07% as compared with the same period last year. During the Reporting Period, the decrease in the Group's revenue alongside a year-on-year increase in profit was mainly attributable to: (i) the significant increase in fair value gains of the Group's short-term investments; (ii) affected by the transition between product cycles, certain existing games of the Group have entered the maturity stages, with active users and gross billings experiencing a natural decline, while key pipeline projects are still in the R&D and testing phase and have not yet generated revenue contribution during the Reporting Period. Meanwhile, the domestic game market has entered a stage characterized by competition for existing users and structural divergence, with players' demand for product quality continuing to rise. In addition, the marginal benefits of user acquisition in key global regional markets have been diminishing, and user acquisition costs and competitive pressure have increased, which resulted in a year-on-year decrease in the Group's operating revenue; and (iii) in line with the industry trend of higher R&D standards, the Group is currently in a phase of concentrated efforts on large-scale strategic pipeline projects, with further increased investment in R&D for its pipeline games, resulting in a year-on-year increase in R&D expenses.

As of June 30, 2026, in terms of game operating data, the Group had more than 103.29 million cumulative registered players, representing an increase of 2.83% as compared with the same period last year; during the Reporting Period, the average number of MAUs was approximately 812,800, representing a year-on-year decrease of 28.95%; the average number of MPUs was approximately 99,900, representing a year-on-year decrease of 28.94%; and the monthly ARPPU was RMB313.62, representing a year-on-year increase of 8.22%. Overall, the steady increase in cumulative registered players and a year-on-year increase in monthly ARPPU, alongside year-on-year declines in the average number of MAUs and the average number of MPUs, were mainly attributable to: (i) some existing games being in their maturity stages, resulting in natural declines in active and paying users; and (ii) the Group's continuous introduction of new versions and content updates, and optimization of the gaming experiences and event management, attracting new players and encouraging the return of some veteran players, while also slowing down user attrition to a certain extent with the willingness to pay and payment depth of core users significantly enhanced.

Overall, the changes in the aforementioned operating data are highly aligned with the current development stage of the industry. Currently, the domestic gaming market has gradually entered a stage featuring coexistence of competition for existing users and structural divergence. Players have placed higher demands on product quality, gameplay innovation and service experience, posing greater challenges to the long-term operational capabilities of mature products, the level of differentiation of new products and the overall R&D strength of enterprises. Nonetheless, the industry trends towards premiumization, globalization and technology upgrading have also brought new development opportunities. The Group has proactively adapted to market changes by improving internal governance, optimizing resource allocation, enhancing operational efficiency and increasing R&D investment, thereby continuously consolidating its competitiveness. The number of additional users and gross billings of games of the Group declined year-on-year as some existing games were in their maturity stages; meanwhile, continuous content updates and refined operations continued to gain recognition from core users, driving a year-on-year improvement in monthly ARPPU. The combined effect of various factors resulted in phased fluctuations in the Group's financial and operating metrics during the Reporting Period.

The management believes that the phased adjustment in the Group's revenue and user scale during the Reporting Period is a normal performance under the combined impact of product cycles and changes in the industry environment. In response to the profound changes in the internal and external market environment, the Group has adopted multiple countermeasures, including but not limited to: (i) deepening the operation of existing products, implementing more precise content iteration and refined cost control for products in the maturity stage, and tapping into core user value while consolidating the fundamental base; (ii) steadily deepening globalization and multi-platform deployment, during the Reporting Period, *Cardcaptor Sakura: Memory Key (魔卡少女櫻：回憶鑰匙)* was launched in Japan and topped the local iOS free games chart, which validated the Group's overseas publishing capabilities. Recently, the Group has also been in discussions with its partners regarding the in-licensing of several games and their subsequent publishing arrangements on the Steam platform, so as to accumulate cross-regional and cross-platform operation experience; and (iii) increasing R&D investment and phased validation, concentrating resources on polishing key pipeline products, and deeply embedding technologies such as AI into core R&D processes to comprehensively improve R&D efficiency and content quality. Going forward, the Group will maintain its strategic focus, seize the development opportunities of premiumization and globalization in the industry, steadily navigate through product cycles, and further enhance business resilience and comprehensive competitiveness.

BUSINESS OVERVIEW FOR THE REPORTING PERIOD

In the first half of 2026, in response to the profound changes in both internal and external market environments, the Group continued to uphold its core strategy of "Premiumization, Globalization, Long-term Development" ("精品化、全球化、長線化") and conducted its business in an orderly manner, focusing on the long-term operation of existing games, the global release of key products, and the R&D and testing of pipeline games. Although certain existing games were in their maturity stages with natural declines in gross billings, the Group still consolidated the foundation of its core products through continuous content updates, refined version management and overseas market expansion, while significantly increasing R&D investment in pipeline games to build momentum for medium-to-long-term development.

During the Reporting Period, the Group made significant progress in the following areas:

(1) Deepening overseas publication footprint and steadily expanding global presence

In June 2026, the Group launched *Cardcaptor Sakura: Memory Key (魔卡少女櫻：回憶鑰匙)* in Japan, and the game topped the local iOS free games chart upon release. Following its successive releases in the markets of Chinese Mainland, HMT and Vietnam, the launch of the Japanese version further expanded the game's overseas market coverage and also accumulated experience for the Group in continuously enhancing its localized publishing and long-term overseas operation capabilities.

(2) Focusing on refined long-term operations and tapping into core player value

In June 2026, the self-developed flagship game *The Marvelous Snail/SuperSnail (最強蝸牛)* celebrated its sixth anniversary. The Group continued to optimize version design and event arrangements to further enhance gameplay experience and player engagement. During the sixth-anniversary event, the payment depth of existing core users achieved a significant increase; the ARPU and ARPPU during the event period both recorded double-digit growth as compared with the same period last year, reflecting that existing core users maintained a strong willingness to pay, and demonstrating the Group's resilience in refined operations and long-lifecycle management of mature products.

(3) Stepping up investment in pipeline projects and improving the medium-to-long-term product pipeline

During the Reporting Period, the Group further increased R&D investment in pipeline games, and concentrated resources on advancing the development and testing of key projects such as *Project E (項目E)*. Through multiple rounds of testing, data analysis and player feedback, the Group continuously validated product direction, refined core gameplay and improved content quality.

(4) Advancing AI system upgrades to fully empower R&D and operational efficiency

The Group continued to advance the development of its AI systems, promoting the deep integration of AI technology across the full lifecycle of product R&D, publishing decisions and operations management, and gradually improving capabilities covering content production, data analysis, version management and market insights, thereby providing effective support for refined game version management, enhanced content production efficiency and optimized publishing and operational decisions.

OUR GAMES

The Group develops, publishes and operates a number of premium mobile games. As of June 30, 2026, 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, as well as mini program games.

Below is an overview of our major games:

The Marvelous Snail/SuperSnail (最強蝸牛) (known as *SuperSnail* in regions including Southeast Asia, Europe and the United States), launched in June 2020, is our iconic self-developed idle game. As of June 30, 2026, the game recorded cumulative gross billings of RMB4,037 million domestically and overseas, with 29.93 million cumulative registered players. During the Reporting Period, *The Marvelous Snail/SuperSnail (最強蝸牛)* launched its sixth anniversary version in Chinese Mainland and HMT regions, unveiling the new character "Ya Ya (丫丫)", the new gameplay features of "Park Management (樂園經營)" and the new realm "Ross (羅斯)". Besides, a sixth anniversary celebration event themed "Childhood Memories (童年回憶)" was also introduced, bringing players a fresh and novel experience. During the anniversary period, the game recorded significant growth in core users' willingness to pay and payment depth. ARPU and ARPPU both achieved double-digit increases year-over-year during the event period. During the Reporting Period, revenue generated from the game in both domestic and overseas markets amounted to approximately RMB111 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 introduced multiple new versions and characters, along with gameplay optimizations, which enhanced the engagement of existing users and enriched top-up scenarios. The game saw further improvement in average payment frequency and value contribution of paying users during the Reporting Period, and recorded a revenue of approximately RMB7.24 million, representing a counter-trend increase of 5.37% as compared to the same period last year.

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 Group continued to enrich the game's hero roster and strategic gameplay to enhance player experience, and recorded a revenue of approximately RMB10.90 million domestically and overseas.

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)* with genuine licensing. In September 2023, the game was launched and has sustained its stable operation in Chinese Mainland, HMT regions and Vietnam. In June 2026, the game was officially launched in Japan and reached the top of the local iOS free games chart, underscoring the appeal of its IP and content to local players, and further demonstrating the Group's capabilities in overseas localization publishing and marketing. During the Reporting Period, the game recorded domestic and overseas revenue of approximately RMB3.14 million.

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 launched a number of new versions and featured a collaboration with the "Tom and Jerry" IP to continuously enhance the player experience, and recorded a revenue of approximately RMB17.10 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 Group continued to enhance its game content and operational strategies, and progressed with localization adaptation and launch preparations for the global version, taking into account player preferences in different regional markets. During the Reporting Period, the game recorded a revenue of approximately RMB2.34 million.

Ares Virus 2 (阿瑞斯病毒2), launched in August 2024, is an adventure survival RPG that we introduced through in-licensing and a sequel to *Ares Virus (阿瑞斯病毒)* with a top-down perspective and a unique and fresh ballpoint pen style. During the Reporting Period, the game continued to advance content updates for its story mode and online mode, consistently enriching the multiplayer competitive, cooperative and character-building experiences. During the Reporting Period, the game recorded a revenue of approximately RMB11.90 million.

Other major games such as ***Eternal Adventure (無盡大冒險)*** (launched in June 2015, one of our self-developed classic games that combines the features of idle gameplay experience and Diablo-like adventure), ***Gumballs & Dungeons (不思議迷宮)*** (launched in August 2016, our self-developed Rogue-like RPG), ***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), ***Tingus Goose (神經鵝)*** (launched in December 2025 on Steam platform, our casual game introduced through in-licensing) and others continued to contribute steady revenue to the Group. The abovementioned games recorded revenues of approximately RMB4.93 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 Enthusiasts community, our players can receive the latest information about our games, including recent events that we organize, opportunities to participate in testing our new games and free in-game virtual items.

As of June 30, 2026, our games had accumulated 16.4032 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 1.23% as compared with the same period last year. Through continuous content updates, creative online events and a refined user feedback mechanism, we have forged a strong emotional connection with our players. This has not only effectively reduced the Group's customer acquisition costs, but has also provided our R&D team with valuable data and feedback. With the AI data analytics tools comprehensively upgraded during the Reporting Period, we are now able to gain precise insights into community needs and consistently deliver personalized and high-quality gaming experiences to players.

OUTLOOK AND DEVELOPMENT STRATEGY

In the first half of 2026, the global gaming market accelerated its evolution, driven by both the competition for existing market shares and technological innovation. On the one hand, players have growing demand for high-quality content with a long lifecycle, prompting industry resources to further concentrate on top-tier and premium titles. On the other hand, the widespread adoption of cutting-edge technologies such as AI is redefining the boundaries of efficiency in game R&D and publication. This trend not only provides ample room for companies with strong R&D capabilities and agile iteration abilities to break through, but also poses a more severe challenge to game publishers' global publication sophistication and long-term operational resilience. Competition in the global gaming market will continue to revolve around product quality, content innovation, R&D efficiency and global operational capabilities.

Against this backdrop, the Group's core strengths have been further validated: (i) a highly creative and execution-driven team with integrated R&D and operations, which is capable of responding rapidly to market changes; (ii) its globally established publication network with a successful track record; during the Reporting Period, *Cardcaptor Sakura: Memory Key (魔卡少女櫻：回憶鑰匙)* successfully topped the iOS free chart in the Japanese market, further demonstrating its global publication capabilities; and (iii) its proven ability to operate premium games over a long term; during the sixth-anniversary event for *The Marvelous Snail/SuperSnail (最強蝸牛)*, the ARPPU grew by over 20% against the market trend, demonstrating its robust operational resilience. However, we also recognize the challenges we face: our flagship products are in their maturity stages and require new growth momentum, while the advancement of large-scale self-developed and collaborative projects still faces challenges such as extended R&D cycles, increased content optimization costs and market uncertainties.

Based on in-depth insights into industry trends and prudent assessment of its development stage, the Group unswervingly pursues its long-term strategy: to build a core competitive barrier through "premiumization" R&D, to expand performance growth boundaries through "globalization" publication and to navigate industry cycles through "long-term development". The Group will place greater emphasis on balanced resource allocation and product portfolio layout, and will cultivate new products with differentiated features and global market potential while consolidating the foundation of its long-term operation businesses.

Building upon the arrangements for concentrated investment in R&D and publishing as set out in the 2025 annual report, the Group is advancing its key projects in accordance with the pace of "testing and validation, content and gameplay refinement, version and channel preparation, phased publishing and long-term operation", and prudently adjusting resource input and project publishing sequence based on the testing feedback, product quality, regulatory and publishing preparation status of each project.

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

Title	**Game Genre**	**Source**	**Development Stage as of June 30, 2026**	**Expected Launch Time**
Lost Light (迷途之光) (overseas)	STG	In-licensed	Game production, testing and optimization	2026
The Marvelous Snail/SuperSnail (最強蝸牛) (in South Korea)	Casual game	Development in-house	Game production, testing and optimization	2026
Project E	SLG	Development in-house	Game production, testing and optimization	2027
迪士尼：書境傳奇	Card RPG	In-licensed	Game production, testing and optimization	2027
Project F	Survival socialization	In-licensed	Game production, testing and optimization	2027
Project W	Card RPG	In-licensed	Game production, testing and optimization	2028
Project HA	Card RPG	In-licensed	Game production, testing and optimization	2028

To implement the abovementioned strategy and achieve high-quality sustainable development, the Group has formulated a clear implementation path, which primarily includes:

I. Focusing on Refining the Pipeline Matrix to Ensure a Smooth Transition Between Old and New Product Cycles

In light of the stable cash flows continuously generated by core perennial products, the Group is allocating resources to key pipeline projects with stronger global competitiveness and refining its next-phase core product lines pursuant to higher quality standards. In the first half of 2026, we continued to invest in the R&D of *Project E (項目E)*, a core strategic product of the Group, and expanded the overall team size. The team has successfully conducted dozens of tests at varying scales. With the continuous increase in testing rounds and the number of participating players, the product quality embraces rapid iterations based on extensive genuine user feedback. The game is currently actively progressing with the application for a domestic game license, and in addition to the mobile version, the Steam version is also under preparation, and is expected to be launched on multiple platforms in the future. According to the existing plans, the Group will maintain its R&D investment in *Project E (項目E)* and reserve sufficient budget for its publishing and marketing. The project is expected to undergo extensive testing and launch in major regions worldwide in 2027.

In addition, the Group is steadily advancing the optimization of *迪士尼：書境傳奇*. Having obtained the game license, this project is undergoing testing and localization adaptation. The R&D team is devoting additional time to in-depth content refinement and gameplay optimization. The specific publication dates will be subject to the progress of the optimization.

In addition to deepening its self-developed games and existing publishing pipeline, the Group has also been keenly identifying high-quality external products and is in discussions with its partners regarding the in-licensing of several games and their subsequent publishing arrangements on the Steam platform. If successfully introduced, these games will further enrich the Group's PC gaming ecosystem.

While preparing for the launch of new titles, the Group will also continue to explore overseas growth opportunities for its existing premium titles in maturity stage. Following the successful launch of *Cardcaptor Sakura: Memory Key (魔卡少女櫻：回憶鑰匙)* in the Japanese market as scheduled, we will systematically advance the launch plans for the global version of *Lost Light (迷途之光)* and the South Korean version of *The Marvelous Snail/SuperSnail (最強蝸牛)*. Through targeted operation strategies for localization, the Group will steadily maximize the lifecycle value of high-quality products, to deliver solid performance support for the Group's global businesses.

The Group will continue to review the R&D, testing, publication and operational preparation status of the above-mentioned projects, especially key projects, in accordance with its milestones, and will promptly adjust resource allocation and publishing pace when changes occur in the market environment or project conditions, so as to more prudently manage risks in relation to the R&D cycle, content optimization and market uncertainties.

II. Deepening the Full-Chain AI Empowerment and Improving the Intelligent R&D and Operation System

In the first half of 2026, the Group further advanced the development and application of its AI-powered publication platform, and gradually introduced relevant capabilities into specific business projects. Going forward, the Group will further validate the effectiveness of AI technology in practical scenarios including market analysis, marketing content production, optimization of deployment strategies, user segmentation and support for operational decision-making, and will continuously optimize related tools and processes based on actual business performance.

In the R&D phase, we are utilizing AI to assist with art asset generation, level design optimization and procedural content generation, with a focus on how these technologies can enhance content production efficiency, speed up testing feedback and improve cross-team collaboration. In the publication and operation phase, the Group will continue to enhance the AI publication platform's capabilities to analyze market data, user behavior, marketing materials and deployment effectiveness, thereby fostering a more efficient closed-loop business process that integrates market insights, content creation, deployment execution and operational feedback. As the Group gradually accumulates practical experience and project data, it will further refine relevant models, tools and knowledge systems, progressively consolidating reusable platform capabilities to enhance adaptability to different products and regional markets, thereby enabling AI technologies to more effectively support product R&D, global publication and long-term operation.

Looking ahead, the Group will leverage its integrated R&D and operations advantages, build upon existing long-term operated products to consolidate its core business foundation, make full use of AI technologies to drive key projects including *Project E (項目E)* to progress into their subsequent development phases, and continue to replenish the product pipeline with those with differentiated characteristics and global market potential. The Group will also continuously improve the efficiency of resource allocation and global business capabilities, laying a solid foundation for future product cycles and long-term sustainable development, with a view to achieving steady growth in revenue and profit. In terms of capital allocation, the Group will prudently assess cooperation and investment opportunities by taking into account factors including business profitability, cash flow, financial position, future capital requirements and business development plans, continuously review its dividend policy and safeguard the long-term interests of the Shareholders.

FINANCIAL REVIEW

Revenue

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

The following table sets forth a breakdown of our revenues by line of business for the six months ended June 30, 2026 and 2025.

	For the six months ended June 30,				
					2026 vs. 2025
	2026		**2025**		**Change**
	RMB'000	*%*	*RMB'000*	*%*	*%*
	(unaudited)		(unaudited)		
Game operating revenues					
Self-developed	**120,437**	**71.0**	147,441	59.7	(18.3)
Licensed	**44,699**	**26.3**	91,200	36.9	(51.0)
Subtotal	**165,136**	**97.3**	238,641	96.6	(30.8)
Game licensing revenue	**1,899**	**1.1**	2,744	1.1	(30.8)
Information service revenue	**1,712**	**1.0**	3,076	1.2	(44.3)
Other services and sales	**983**	**0.6**	2,719	1.1	(63.8)
Total revenues	**169,730**	**100.0**	247,180	100.0	(31.3)

Game Operating Revenues

Our game operating revenues decreased by 30.8% to approximately RMB165.1 million for the six months ended June 30, 2026 from the corresponding period in 2025, primarily due to the natural decline of users as some games were in their maturity stages; meanwhile, we accelerated the global publishing layout of our existing games across different regions, continuously launching brand-new game versions, optimizing game content, enhancing users' spending depth and mitigating the decline in game revenue. Specifically:

- our revenue from self-developed games decreased by 18.3% to approximately RMB120.4 million for the six months ended June 30, 2026 from the corresponding period in 2025, 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 51.0% to approximately RMB44.7 million for the six months ended June 30, 2026 from the corresponding period in 2025, primarily due to the decline in revenue from *Ares Virus 2 (阿瑞斯病毒2)*, *Sword and Fairy: Wen Qing (新仙劍奇俠傳之揮劍問情)* and *Lost Light (迷途之光)*, partially offset by the increase in revenue resulting from the launch of *Cardcaptor Sakura: Memory Key (魔卡少女櫻：回憶鑰匙)* in Japan and *Lantern and Dungeon (提燈與地下城).*

Game Licensing Revenue

Our game licensing revenue decreased by 30.8% to approximately RMB1.9 million for the six months ended June 30, 2026 from the corresponding period in 2025, primarily due to the natural decline in gross billings of games as *Gumballs & Dungeons (不思議迷宮)* (launched in August 2016) is in maturity stage in Chinese Mainland, which in turn led to the decrease in game licensing revenue.

Information Service Revenue

Our information service revenue decreased by 44.3% to approximately RMB1.7 million for the six months ended June 30, 2026 from the corresponding period in 2025, primarily due to the decrease in in-game advertisement views or clicks.

Other Services and Sales

Our other services and sales revenues decreased by 63.8% to approximately RMB1.0 million for the six months ended June 30, 2026 from the corresponding period in 2025, primarily due to the decrease in revenue generated from commissioned R&D and marketing and promotion cooperation, etc.

Cost of Revenues

Our cost of revenues decreased by 21.9% from approximately RMB93.0 million for the six months ended June 30, 2025 to approximately RMB72.7 million for the six months ended June 30, 2026. 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 six months ended June 30, 2026 and 2025.

	For the six months ended June 30,				
					2026 vs. 2025
	2026		**2025**		**Change**
	RMB'000	*%*	*RMB'000*	*%*	*%*
	(unaudited)		(unaudited)		
Commissions charged by distribution and payment channels	**30,137**	**41.5**	55,782	60.0	(46.0)
Commissions charged by third-party game developers and IP holders	**18,852**	**25.9**	16,060	17.3	17.4
Bandwidth and servers custody fee	**7,509**	**10.3**	8,942	9.6	(16.0)
Employee benefits expenses	**5,270**	**7.2**	5,455	5.9	(3.4)
Others	**10,924**	**15.1**	6,793	7.2	60.8
Total	**72,692**	**100.0**	93,032	100.0	(21.9)

Our cost of revenue for commissions charged by distribution and payment channels decreased by 46.0% to approximately RMB30.1 million for the six months ended June 30, 2026 from the corresponding period in 2025, 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 increased by 17.4% to approximately RMB18.9 million for the six months ended June 30, 2026 from the corresponding period in 2025, primarily due to (i) the year-on-year increase in distributable profit of the licensed game *Fat Goose Gym (肥鵝健身房)*, leading to an increase in the commissions paid to the third-party developer; partially offset by (ii) the decrease in the commissions paid to third-party developers and IP holders due to the decrease in revenue from licensed games such as *Ares Virus 2 (阿瑞斯病毒2)*, *Sword and Fairy: Wen Qing (新仙劍奇俠傳之揮劍問情)* and *Lost Light (迷途之光)* and the year-on-year decrease in distributable profits.

Our cost of revenue for employee benefits expenses amounted to approximately RMB5.3 million for the six months ended June 30, 2026, which remained generally flat as compared with RMB5.5 million for the same period last year.

Our cost of revenue for others increased by 60.8% to approximately RMB10.9 million for the six months ended June 30, 2026 from the corresponding period in 2025, primarily due to (i) the increased impairment in the prepayments made to some game developers as compared with the same period last year, which was recognized in the cost of revenues; this was partially offset by (ii) the decrease in outsourced technical service fee.

Gross Profit and Gross Margin

Our gross profit decreased by 37.0% from approximately RMB154.1 million for the six months ended June 30, 2025 to approximately RMB97.0 million for the six months ended June 30, 2026. Our gross margin decreased to 57.2% for the six months ended June 30, 2026 from 62.4% for the six months ended June 30, 2025, primarily due to the fact that total revenue for the Reporting Period decreased by 31.3% as compared to the same period last year, while (i) other costs within cost of revenues increased by 60.8%, representing an increase in impairment losses on prepayments to certain game developers as compared to the same period last year, which were recognized in cost of revenues, thereby lowering the gross profit margin; (ii) the commissions charged by third-party game developers and IP holders within cost of revenues increased by 17.4% as compared to the same period last year, which also lowered the gross profit margin; and (iii) fixed expenses such as employee benefits expenses related to bandwidth and servers, system maintenance and customer service personnel for the Reporting Period only decreased by 13.1% as compared to the same period last year, and such expenses were recognized in cost of revenues, further lowering the gross profit margin.

Selling and Marketing Expenses

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

Our selling and marketing expenses decreased by 40.8% from approximately RMB55.0 million for the six months ended June 30, 2025 to approximately RMB32.6 million for the six months ended June 30, 2026. 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 *The Marvelous Snail/SuperSnail (最強蝸牛)*, *Ares Virus 2 (阿瑞斯病毒2)* and other games, partially offset by the increase in the selling and marketing expenses resulting from the launch of *Cardcaptor Sakura: Memory Key (魔卡少女櫻：回憶鑰匙)* in Japan.

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 increased by 51.4% from approximately RMB42.0 million for the six months ended June 30, 2025 to approximately RMB63.6 million for the six months ended June 30, 2026, primarily due to (i) the significant increase in outsourced service fees such as commissioned R&D and artwork as compared to the corresponding period; and (ii) the increase in R&D staff for certain key self-developed game projects, which led to an increase in employee expenses for R&D activities as compared to the corresponding period.

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 increased by 28.2% from approximately RMB27.4 million for the six months ended June 30, 2025 to approximately RMB35.1 million for the six months ended June 30, 2026, which was primarily due to the increase in severance pay as compared to the corresponding period.

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 714.3% from gains of approximately RMB44.1 million for the six months ended June 30, 2025 to gains of approximately RMB358.8 million for the six months ended June 30, 2026, 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).

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 59.0% from approximately RMB2.5 million for the six months ended June 30, 2025 to approximately RMB1.0 million for the six months ended June 30, 2026, mainly due to the decrease in government subsidies and dividend distribution from long-term investments measured at fair value through profit or loss.

Net Other (Losses)/Gains

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

Our net other (losses)/gains changed from net gains of approximately RMB4.4 million for the six months ended June 30, 2025 to net losses of approximately RMB4.5 million for the six months ended June 30, 2026, primarily due to the depreciation of USD against RMB in the first half of 2026, hence the depreciation of the USD holdings and trade receivables of subsidiaries of the Group (their functional currencies being RMB).

Income Tax Expenses

Our income tax expenses decreased by 61.8% from approximately RMB12.5 million for the six months ended June 30, 2025 to approximately RMB4.8 million for the six months ended June 30, 2026, mainly due to (i) the decline in profit of a profit-making subsidiary; and (ii) the utilization and reversal of certain deferred tax assets previously recognised by the Group during the Reporting Period.

Profit for the Reporting Period

Our profit for the Reporting Period increased by 335.1% from a net profit of approximately RMB72.7 million for the six months ended June 30, 2025 to a net profit of approximately RMB316.1 million for the six months ended June 30, 2026, which was mainly attributable to 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: (i) the decreased gross profit resulting from the natural decline in gross billings of existing games; and (ii) the increase in R&D expenses.

Liquidity, Capital Resources and Gearing Ratio

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

The Group's total cash and cash equivalents decreased by 21.6% from approximately RMB444.3 million as of December 31, 2025 to approximately RMB348.6 million as of June 30, 2026. The decrease in total cash and cash equivalents during the Reporting Period was primarily due to (i) the utilization of proceeds raised from the Global Offering; and (ii) the utilization of part of the Group's own funds for external investments.

As of June 30, 2026, we had borrowings of approximately RMB38.5 million, all of which were at fixed interest rates ranging from 2.25% to 2.90% per annum. As of the same date, we still had a banking credit facility of approximately RMB61.5 million, and we had drawn down RMB0.7 million from the facility as deposit to secure our obligations under our foreign currency forward contract.

As of June 30, 2026, the current assets of the Group amounted to approximately RMB2,075.6 million, and the current liabilities of the Group amounted to approximately RMB128.1 million (including interest-bearing liabilities of RMB24.0 million). As of June 30, 2025, the current assets of the Group amounted to approximately RMB1,748.9 million, and the current liabilities of the Group amounted to approximately RMB150.7 million. Current ratio is calculated as total current assets divided by total current liabilities. As of June 30, 2026 and 2025, the current ratio of the Group was 1,620.5% and 1,160.4%, respectively.

Gearing ratio is calculated as total liabilities divided by total assets. As of June 30, 2026 and 2025, the gearing ratio of the Group was 6.2% and 7.7%, respectively.

Material Acquisitions and Disposals and Significant Investments

As at June 30, 2026, the Group's short-term investments measured at fair value through profit or loss increased by 26.9% from approximately RMB1,273.1 million as at December 31, 2025 to approximately RMB1,614.9 million as at June 30, 2026. The short-term investments mainly included investment funds and wealth management products. The increase was mainly attributable 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 and A-share stocks).

During the year ended December 31, 2025 and the Reporting Period, the Group held the following significant investments, each of which had a fair value representing 5% or more of the Group's total assets as at the end of the respective period, the details of which are set out below:

Name of investment and the relevant period[1]	Date of initial investment	Investment costs *(USD)*	Fair value as at the end of the period *(USD)*	Realized gain/(loss) during the period *(USD)*	Unrealized gain/(loss) during the period *(USD)*	% of total assets as at the end of the period
A mutual equity fund incorporated in the Cayman Islands ("Fund A")[2]						
For the year ended December 31, 2025	January 2022	3,920,009.77	20,376,739.97	Nil	6,117,043.06	6.98%
For the six months ended June 30, 2026			54,094,785.64	Nil	33,718,045.67	15.92%
A mutual equity fund incorporated in the Cayman Islands ("Fund B")[3]						
For the six months ended June 30, 2026	January 2022	7,451,000.00	17,979,351.85	Nil	6,652,577.42	5.29%

Notes:

1. The identity and details of Fund A and Fund B are subject to strict confidentiality restrictions and the Company is contractually obligated not to disclose any details relating to such funds.

2. The investment manager of Fund A has delegated the day-to-day investment authority to the investment advisor of Fund A, which is a private company incorporated in Hong Kong and licensed by the Securities and Futures Commission of Hong Kong to conduct Type 9 (asset management) regulated activity.

3. The investment manager of Fund B is a private company incorporated in Hong Kong and licensed by the Securities and Futures Commission of Hong Kong to conduct Type 9 (asset management) regulated activity.

Each of Fund A and Fund B is principally engaged in asset management and investment. The Group held less than 1% of the total fund size of each of the above funds during the respective periods set out above. No dividends were received from either fund and neither fund was subject to any restriction on redemption during the respective periods set out above.

Investment Strategy for the Significant Investments

The Group's investments in Fund A and Fund B were made with a view to achieving capital appreciation over the long term. In light of the strong historical performance of each fund and the favorable outlook for the underlying investment strategies adopted by the respective fund managers, the Group considers the funds to have growth prospects and intends to continue to hold its interests in these funds on a long-term basis, subject to the Group maintaining sufficient working capital for its operations. In accordance with the Group's investment policy, the Board will continue to regularly monitor the implementation progress and returns of its significant investments, and the investment team will track and report on the performance of the funds to identify risks that may result in significant losses and deal with them in a timely manner, taking into account, among other things, the prevailing market conditions, the future prospects of the underlying investments and the Group's financial position and capital needs.

Except for the above, the Group did not have any material acquisitions and disposals and significant investments during the six months ended June 30, 2026.

Future Plans for Material Investments and Capital Assets

As at June 30, 2026, the Group did not have any plans for material investments and capital assets.

Pledge of Assets

As of June 30, 2026, we did not pledge any of our assets.

Capital Expenditure

For the six months ended June 30, 2026, our total capital expenditure was approximately RMB2.9 million, compared to approximately RMB1.7 million for the six months ended June 30, 2025. Our capital expenditure primarily included our purchase of property, plant and equipment, mainly related to the purchase of office equipment and vehicles. We funded these expenditures with cash generated from our operating activities. We plan to fund our future capital expenditures with our cash from operating activities.

Contingent Liabilities

As of June 30, 2026, 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 six months ended June 30, 2026.

Employee and Remuneration Policy

As of June 30, 2026, we had 444 full-time employees, substantially all of whom were based in Chinese Mainland and four of whom were based overseas.

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

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

FOR THE SIX MONTHS ENDED JUNE 30, 2026

		Six months ended June 30,	
		2026	2025
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	*4*	**169,730**	247,180
Cost of sales	*5*	**(72,692)**	(93,032)
Gross profit		**97,038**	154,148
Selling and marketing expenses	*5*	**(32,595)**	(55,041)
Research and development expenses	*5*	**(63,615)**	(42,016)
General and administrative expenses	*5*	**(35,147)**	(27,426)
Net impairment losses on financial assets	*5*	**(87)**	(35)
Fair value changes on investments measured at fair value through profit or loss		**358,843**	44,066
Other income	*6*	**1,011**	2,467
Other (losses)/gain, net	*7*	**(4,542)**	4,352
Operating profit		**320,906**	80,515
Finance income		**2,896**	4,984
Finance costs		**(1,054)**	(1,130)
Finance income, net		**1,842**	3,854
Share of results of investments accounted for using equity method		**795**	779
Losses on impairment of investments accounted for using the equity method		**(2,628)**	–
Profit before income tax		**320,915**	85,148
Income tax expenses	*8*	**(4,770)**	(12,483)
Profit for the period		**316,145**	72,665
Other comprehensive income:			
Items that may not be reclassified to profit or loss			
– Currency translation differences		**4,452**	210
Items that may be subsequently reclassified to profit or loss			
– Currency translation differences		**(49,116)**	(6,538)
Total comprehensive income for the period		**271,481**	66,337

		Six months ended June 30,	
		2026	2025
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Profit for the period attributable to:			
Equity holders of the Company		**315,284**	70,257
Non-controlling interests		**861**	2,408
		316,145	72,665
Total comprehensive income for the period attributable to:			
Equity holders of the Company		**270,531**	63,906
Non-controlling interests		**950**	2,431
		271,481	66,337
Earnings per share for profit for the period attributable to the equity holders of the Company			
Basic earnings per share *(RMB)*	*9*	**0.46**	0.10

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2026

	Notes	**As at June 30, 2026**	As at December 31, 2025
		RMB'000	*RMB'000*
		(Unaudited)	(Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**9,193**	10,212
Right-of-use assets		**4,555**	8,640
Intangible assets		**800**	998
Deferred tax assets		**18,055**	21,953
Investments accounted for using the equity method		**29,164**	31,034
Long-term investments measured at fair value through profit or loss		**156,549**	148,055
Prepayments, deposits and other assets		**20,428**	23,849
		238,744	244,741
Current assets			
Trade receivables	*10*	**25,511**	29,001
Inventories		**1,817**	1,521
Prepayments, deposits and other assets		**84,793**	58,779
Short-term investments measured at fair value through profit or loss	*11*	**1,614,901**	1,273,075
Cash and cash equivalents		**348,560**	444,310
		2,075,582	1,806,686
Total assets		**2,314,326**	2,051,427
EQUITY			
Share capital	*12*	**44**	44
Share premium	*12*	**5,117,821**	5,117,821
Other reserves		**(2,972,383)**	(2,922,662)
Retained earnings/(Accumulated deficit)		**28,465**	(286,819)
Equity attributable to equity holders of the Company		**2,173,947**	1,908,384
Non-controlling interests		**(2,492)**	(8,326)
Total equity		**2,171,455**	1,900,058

	Notes	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
LIABILITIES			
Non-current liabilities			
Lease liabilities		**345**	1,824
Borrowings		**14,440**	–
		14,785	1,824
Current liabilities			
Trade payables	*13*	**15,411**	22,279
Other payables and accruals		**39,677**	63,629
Contract liabilities		**42,121**	44,461
Current income tax liabilities		**1,798**	1,244
Lease liabilities		**4,988**	7,932
Short-term liabilities measured at fair value through profit or loss	*11*	**51**	–
Borrowings		**24,040**	10,000
		128,086	149,545
Total liabilities		**142,871**	151,369
Total equity and liabilities		**2,314,326**	2,051,427

NOTES TO THE INTERIM FINANCIAL INFORMATION

1. GENERAL INFORMATION

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

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

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

2. BASIS OF PREPARATION

The condensed consolidated interim financial statements for the six months ended June 30, 2026 (the "**Interim Financial Information**") has been prepared in accordance with Hong Kong Accounting Standard 34 ("**HKAS 34**"), issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the applicable disclosure provisions of Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Interim Financial Information has been prepared with the same accounting policies adopted in the 2025 annual financial statements (the "**2025 Financial Statements**"), except for those that relate to amended standards effective for the first time for periods beginning on or after January 1, 2026 or agenda decision of the IFRS Interpretations Committee of the International Accounting Standards Board. Details of any changes in material accounting policies are set out in note 3.

The preparation of the Interim Financial Information in accordance with HKAS 34 requires the use of certain judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates. The areas where significant judgments and estimates have been made in preparing the Interim Financial Information and their effects are disclosed.

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

3. MATERIAL ACCOUNTING POLICIES

(a) Amended standards adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2025, except for the adoption of the following amended HKFRS Accounting Standard for the first time for the current period's interim financial information.

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7

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

Amendments to HKFRS 9 and HKFRS 7, Amendments to the Classification and Measurement of Financial Instruments, clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments have had no material impact on the interim condensed consolidated financial information.

Annual Improvements to HKFRS Accounting Standards – Volume 11 set out amendments to HKFRS 1, HKFRS 7 (and the accompanying Guidance on implementing HKFRS 7), HKFRS 9, HKFRS 10 and HKAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- For HKFRS 7, the amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the Guidance on implementing HKFRS 7 for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the Guidance on implementing HKFRS 7 does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. The amendments have had no material impact on the interim condensed consolidated financial information.

- For HKFRS 9, the amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognise any resulting gain or loss in profit or loss. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. The amendments have had no material impact on the interim condensed consolidated financial information.

- For HKFRS 10, the amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of HKFRS 10. The amendments have had no material impact on the interim condensed consolidated financial information.

- For HKAS 7, the amendments replace the term "cost method" with "at cost" in paragraph 37 of HKAS 7 following the prior deletion of the definition of "cost method". The amendments have had no material impact on the interim condensed consolidated financial information.

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

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

Effective for accounting year beginning on or after

Amendments to HKAS 28 and HKFRS 10	Sale or contribution of assets between an investor and its associate or joint venture[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[1]

[1] Effective for annual/reporting periods beginning on or after January 1, 2027
[2] No mandatory effective date yet determined but available for adoption

4. SEGMENT INFORMATION AND REVENUE

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

As at June 30, 2026 and December 31, 2025, substantially all of the non-current assets of the Group were located in the PRC.

Revenue for the six months ended June 30, 2026 and 2025 are as follows:

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Game operating revenues		
− Self-developed	**120,437**	147,441
− Licensed	**44,699**	91,200
Subtotal	**165,136**	238,641
Game licensing revenue	**1,899**	2,744
Information service revenue	**1,712**	3,076
Other revenue	**983**	2,719
Total revenues	**169,730**	247,180
Cost of revenues	**(72,692)**	(93,032)
Gross profit	**97,038**	154,148
Gross margin	**57%**	62%

Revenues of approximately RMB4 million and RMB6 million for the six months ended June 30, 2026 and 2025, respectively, were from five largest single customers.

During the six months ended June 30, 2026 and 2025, none of the single customers individually exceeding 10% of the Group's revenue.

The table below sets forth a breakdown of the Group's revenue by timing of recognition for the six months ended June 30, 2026 and 2025, respectively:

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Over the time	**65,836**	102,921
At a point in time	**103,894**	144,259
Total	**169,730**	247,180

The table below sets forth a breakdown of the Group's revenue by geographical areas for the six months ended June 30, 2026 and 2025, respectively:

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Chinese Mainland	**96,259**	146,132
Other areas (a)	**73,471**	101,048
Total	**169,730**	247,180

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

5. EXPENSES BY NATURE

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Marketing and promotion expenses	**16,378**	34,913
Employee benefits expenses	**83,808**	77,646
Commissions charged by distribution channels	**29,481**	55,064
Commissions charged by game developers and IP holders	**18,852**	16,060
Bandwidth and server custody fee	**7,509**	8,942
Outsourced technical services	**20,768**	2,932
Office expenses	**3,971**	4,408
Depreciation of right-of-use assets	**3,911**	4,549
Professional services fee	**3,328**	3,069
Depreciation of property, plant and equipment	**3,854**	2,689
Amortization of intangible assets	**181**	331
Auditor remuneration		
– Audit service	**1,387**	1,540
– Non-audit service	**280**	280
Commissions charged by payment channel	**656**	718
Impairment of non-financial assets	**7,252**	2,529
Tax surcharges	**427**	165
Rental expenses and utilities	**951**	758
Net impairment losses on financial assets	**87**	35
Others	**1,055**	922
Total	**204,136**	217,550

6. OTHER INCOME

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Government subsidies	**684**	1,801
Dividend distribution from long-term investments measured at fair value through profit or loss	**–**	637
Others	**327**	29
Total	**1,011**	2,467

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

7. OTHER (LOSSES)/GAIN, NET

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Foreign exchange (losses)/gain, net	**(4,245)**	4,100
Donations to charity organizations	**(63)**	(11)
Others	**(234)**	263
Total	**(4,542)**	4,352

8. INCOME TAX EXPENSES

Cayman Islands

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

British Virgin Islands

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

Hong Kong

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

PRC corporate income tax ("CIT")

CIT provision was made on the estimated assessable profits of entities within the Group incorporated in the PRC and was calculated in accordance with the relevant regulations of the PRC after considering the available tax benefits from refunds and allowances. The general PRC CIT rate is 25% during the six months ended June 30, 2026 and 2025.

Certain subsidiaries of the Group in the PRC, accordingly, are qualified as "high and new technology enterprise" and entitled to a preferential income tax rate of 15% during the period ended June 30, 2026 and 2025.

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

According to the relevant laws and regulations promulgated by the State Tax Bureau of the PRC, enterprises engaging in research and development activities are entitled to claim 200% of their research and development expenses incurred as tax deductible expenses when determining their assessable profits for that year ("**Super Deduction**"). The Group has made its best estimate for the Super Deduction to be claimed for the Group's entities in ascertaining their assessable profits during the six months ended June 30, 2026 and 2025.

PRC Withholding Tax ("WHT")

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

Since the Group intends to permanently reinvest earnings from QC Digital Technology (Xiamen) Co. Ltd. ("**QC Digital**") to further expand its businesses in PRC, it does not intend to declare dividends to its immediate foreign holding entities in the foreseeable future. Accordingly, no deferred income tax liability on WHT was accrued as at the end of the reporting period. Cumulative undistributed earnings of the Company's PRC subsidiaries intended to be permanently reinvested were RMB224 million as at June 30, 2026 (2025: RMB247 million).

Pillar Two Rules

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

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current income tax		
Provision for the period	**1,486**	8,539
(Over)/under-provision in respect of prior years	**(460)**	915
Deferred income tax	**3,744**	3,029
Total income tax expenses	**4,770**	12,483

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

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Profit before income tax	**320,915**	85,148
Tax calculated at statutory income tax rate of 25% in Chinese Mainland	**80,229**	21,287
Tax effects of:		
Effect of different tax rates available to different jurisdictions	**(25,453)**	(5,125)
Preferential income tax rates applicable to subsidiaries	**(2,652)**	(4,750)
Expenses not deductible for income tax purposes	**766**	262
Non-taxable income	**(67,817)**	(7,799)
Super Deduction for research and development expenses	**(5,923)**	(1,691)
Tax losses utilised from prior years	**(2,656)**	(2,802)
Tax losses for which no deferred income tax assets were recognized	**26,131**	9,929
Temporary differences for which no deferred income tax assets were recognized, net	**2,605**	2,257
(Over)/under-provision in respect of prior years	**(460)**	915
Total income tax expenses	**4,770**	12,483

9. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders of the Company by the weighted average number of outstanding shares during the six months ended June 30, 2026 and 2025.

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Profit attributable to ordinary shareholders of the Company *(RMB'000)*	**315,284**	70,257
Weighted average number of outstanding ordinary shares	**691,330,500**	691,330,500
Basic earnings per share *(RMB)*	**0.46**	0.10

10. TRADE RECEIVABLES

	As at June 30, 2026	As at December 31, 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Distribution channels	**21,161**	24,419
Game publishers	**1,990**	686
Information service customers	**2,448**	2,603
Others	**109**	1,404
	25,708	29,112
Less: allowance for impairment	**(197)**	(111)
	25,511	29,001

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

	As at June 30, 2026	As at December 31, 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 3 months	**23,453**	27,726
3 months to 6 months	**2,002**	571
6 months to 1 year	**20**	576
1 to 2 years	**233**	239
	25,708	29,112

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

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

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Financial assets		
At the beginning of the period	**1,273,075**	1,146,208
Additions	**75,363**	171,358
Change in fair value	**369,648**	44,320
Redemption	**(64,898)**	(76,254)
Currency translation differences	**(38,287)**	(4,689)
At the end of the period	**1,614,901**	1,280,943

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Financial liabilities – derivative instruments		
At the beginning of the period	**–**	–
Additions	**–**	–
Change in fair value	**141**	48
Redemption	**(192)**	(48)
At the end of the period	**(51)**	–

12. SHARE CAPITAL AND SHARE PREMIUM

	Number of shares	Nominal value of shares	Equivalent nominal value of shares	Share premium
	'000	*USD'000*	*RMB'000*	*RMB'000*
Authorised				
As at December 31, 2025 and June 30, 2026	5,000,000	50	–	N/A
Issued				
As at December 31, 2025 and June 30, 2026	691,331	7	44	5,117,821

13. TRADE PAYABLES

	As at June 30, 2026 *RMB'000* (Unaudited)	As at December 31, 2025 *RMB'000* (Audited)
Trade payables	**15,411**	22,279

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

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

	As at June 30, 2026 *RMB'000* (Unaudited)	As at December 31, 2025 *RMB'000* (Audited)
Within 3 months	**13,524**	13,999
Over 3 months	**1,887**	8,280
	15,411	22,279

OTHER INFORMATION

INTERIM DIVIDEND

The Board has resolved not to recommend the payment of an interim dividend for the six months ended June 30, 2026 (for the six months ended June 30, 2025: 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 expected substantial capital commitments in 2027, including the publication of key projects such as *Project E (項目E)*.

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.

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

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

EVENTS AFTER THE REPORTING PERIOD

There are no material subsequent events undertaken by the Group after June 30, 2026 and up to the date of this announcement.

USE OF NET PROCEEDS FROM LISTING

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

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

The table below sets out the planned usage of the net proceeds from the Global Offering and actual usage up to June 30, 2026:

Use of proceeds	**Net proceeds from the Global Offering (after taking into account the partial exercise of the over-allotment option)** *(HK$ million)*	**Amount utilized during the Reporting Period** *(HK$ million)*	**Utilized amount up to June 30, 2026** *(HK$ million)*	**Unutilized amount up to June 30, 2026** *(HK$ million)*	**Expected timeline for fully utilizing the unutilized amount**[(1)]
For expanding our game portfolio and investing in our game R&D capabilities and related technologies	324.0	–	324.0	–	N/A
For expanding our business in the overseas markets	231.4	–	231.4	–	N/A
For strengthening our game publication and operation capabilities in China's mobile game market and the market recognition of our "QingCi" brand and our IPs	138.9	2.0	128.6	10.3	By December 2027
For pursuing strategic investments in and acquisitions of upstream and downstream companies along the mobile game industry chain	138.9	–	138.9	–	N/A
For working capital and general corporate purposes	92.6	–	92.6	–	N/A
Total	**925.8**	**2.0**	**915.5**	**10.3**	

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 applicable 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.

AUDIT COMMITTEE

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

The Audit Committee has reviewed the unaudited interim financial information of the Group for the six months ended June 30, 2026 together with the Group's auditor, BDO Limited, and has discussed with the management the accounting principles and practices adopted by the Group and its internal controls and financial reporting matters.

SCOPE OF WORK OF BDO LIMITED

The figures in respect of the Group's unaudited interim financial information and the related notes thereto for the six months ended June 30, 2026 as set out in the announcement have been reviewed by the Group's auditor, BDO Limited.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND THE INTERIM REPORT

This announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and on the website of the Company (www.qcplay.com). The interim report for the six months ended June 30, 2026 will be published on the websites of the Stock Exchange and the Company in due course.

DEFINITIONS

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

"ARPPU"	average revenue per 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
"A-share stocks"	RMB-denominated stocks of companies incorporated in Chinese Mainland trading on China's stock exchanges
"Audit Committee"	the audit committee of the Board
"Average MAUs"	calculated by dividing (i) the total MAUs of a game, or (ii) the aggregate of the total MAUs of all of our games, as applicable, for a specified period by the number of months of that period. Our calculations of average MAUs did not consider each game's data before its official launch
"Average MPUs"	calculated by dividing (i) the MPUs of a game, or (ii) the aggregate of the total MPUs of all of our games, as applicable, for a specified period by the number of months of that period. Our calculations of average MPUs did not consider each game's data before its official launch
"Board" or "Board of Directors"	the board of Directors of the Company
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules

"CMGE"	CMGE Technology Group Limited, an exempted company incorporated in the Cayman Islands with limited liability whose shares are listed on the Stock Exchange (stock code: 0302)
"Company"	Qingci Games Inc. (青瓷游戏有限公司), an exempted company incorporated in the Cayman Islands with limited liability on March 12, 2021 and whose Shares are listed on the Stock Exchange
"Director(s)"	the director(s) of our Company
"Global Offering"	has the meaning ascribed to it under the Prospectus
"Group", "the Group", "we", "us", or "our"	the Company and its subsidiaries from time to time
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"HMT"	Hong Kong, Macao and Taiwan
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"JPY"	Japanese yen, the lawful currency of Japan
"Listing"	the listing of Shares on the Main Board of the Stock Exchange on December 16, 2021
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Macao"	the Macao Special Administrative Region of the PRC
"Main Board"	the Main Board of the Stock Exchange
"MAU(s)"	monthly active 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", "Chinese Mainland" or "China"	the People's Republic of China, excluding, for the purposes of this announcement, Hong Kong, Macao and Taiwan

“Prospectus”	the prospectus issued by the Company on December 6, 2021 in connection with the Hong Kong public offering of the Shares
“R&D”	research and development
“Reporting Period”	six months from January 1, 2026 to June 30, 2026
“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$0.00001 each
“Shareholder(s)”	holder(s) of Share(s)
“SLG”	the simulation games
“STG”	the shooting games
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Taiwan”	Taiwan Province of the PRC
“treasury shares”	has the meaning ascribed to it under the Listing Rules
“USD” or “US$”	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, August 27, 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.