青瓷游戏
QINGCI GAMES

青瓷游戏有限公司
Qingci Games Inc.

(Incorporated in the Cayman Islands with limited liability)

STOCK CODE: 6633

2026
Interim Report

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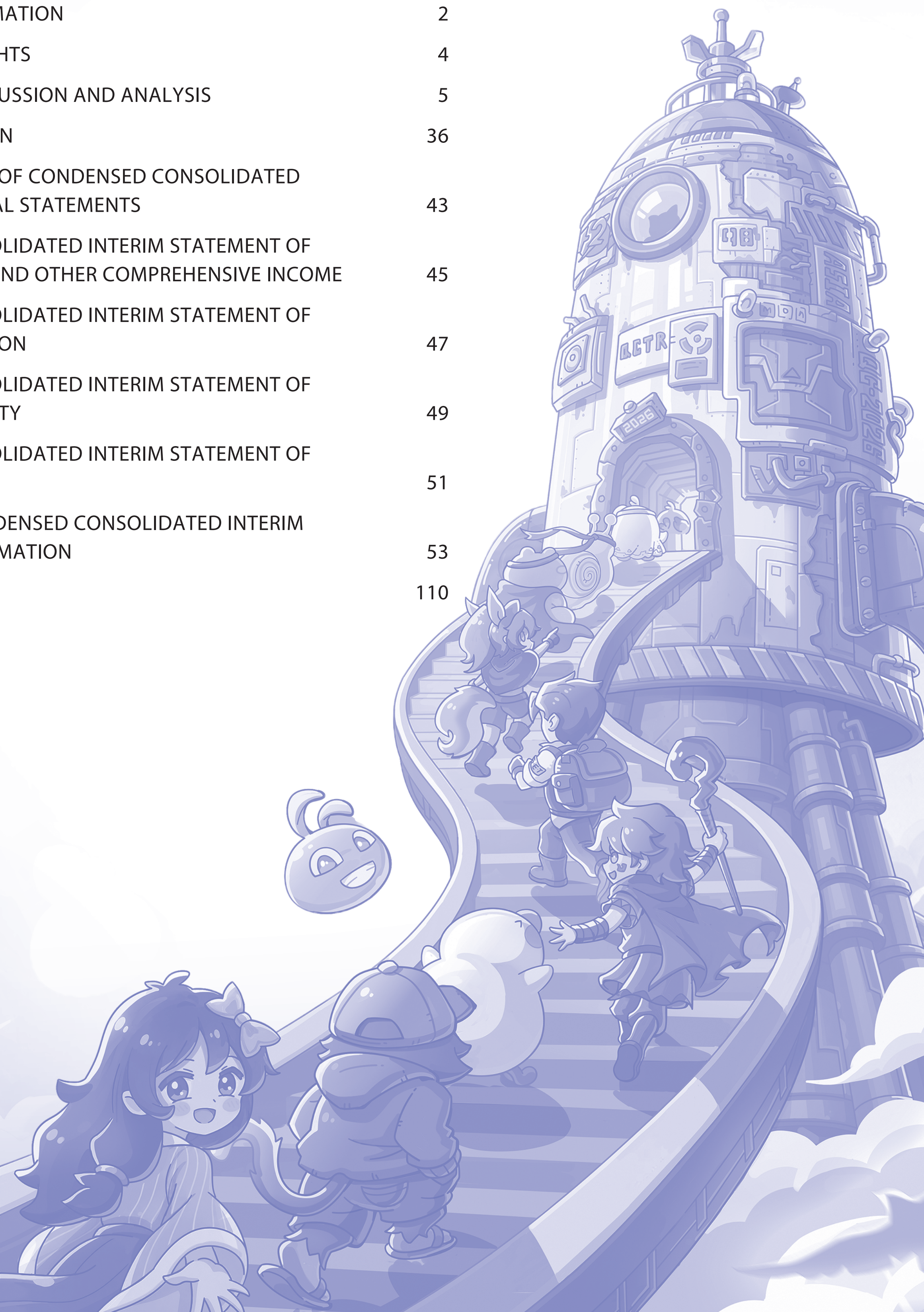

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Yang Xu *(Chairman)*
Mr. Huang Zhiqiang *(Chief Executive Officer)*
Mr. Liu Siming
Mr. Zeng Xiangshuo

Independent Non-executive Directors

Professor Lam Sing Kwong Simon
Dr. Yuan Yuan
Ms. Fang Weijin

AUDIT COMMITTEE

Dr. Yuan Yuan *(Chairman)*
Professor Lam Sing Kwong Simon
Ms. Fang Weijin

REMUNERATION COMMITTEE

Professor Lam Sing Kwong Simon *(Chairman)*
Mr. Yang Xu
Dr. Yuan Yuan

NOMINATION COMMITTEE

Mr. Yang Xu *(Chairman)*
Professor Lam Sing Kwong Simon
Ms. Fang Weijin

COMPANY SECRETARY

Ms. Wang Yilan *(appointed with effect from May 14, 2026)*
Mr. Zhu Chengyin *(resigned with effect from May 14, 2026)*
Ms. Yung Mei Yee *(resigned with effect from May 14, 2026)*

AUTHORIZED REPRESENTATIVES

Mr. Liu Siming
Ms. Wang Yilan *(appointed with effect from May 14, 2026)*
Ms. Yung Mei Yee *(resigned with effect from May 14, 2026)*

REGISTERED OFFICE IN CAYMAN ISLANDS

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LEGAL ADVISORS

As to Hong Kong law

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HONG KONG SHARE REGISTRAR

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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

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P.O. Box 1093
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China Merchants Bank Co., Ltd.
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Fujian, China

CMB Wing Lung Bank Limited
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Hong Kong

Industrial Bank Co., Ltd.
Hong Kong Branch
12/F, One International Finance Centre
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Agricultural Bank of China Co., Ltd.
Xiamen Financial Center Sub Branch
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COMPANY WEBSITE

www.qcplay.com

STOCK CODE

6633

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

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 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.

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.

The Group's business model has been underpinned by the close integration of its overarching strategy of "Premiumization, Globalization, Long-term Development" ("精品化、全球化、長線化"). As key pipeline projects enter the continuous R&D and testing phases, overseas publishing projects gradually roll out and the development of the AI-powered publishing platform accelerates, the Group is further enhancing its business system spanning product R&D, testing and verification, global publishing and long-term operation:

- **Premium Development:** The Group has an experienced R&D team and has developed systematic R&D methodologies through long-term practice, centered on target decomposition, effective validation and efficient iteration. The R&D team works closely with the publishing and operation teams, and leverages the operation team's understanding of player needs, user data analysis and long-term operation experience to continuously feed market feedback, event performance and player opinions back into product R&D, thereby forming an "R&D and operation integration" mechanism that synergizes R&D, testing, publishing and operations. The Group also conducts product testing at various scales and stages, inviting core players, known as "QingCi Enthusiasts", to participate in experiencing the games and providing feedback, so as to validate product direction at an earlier stage, identify potential issues and continuously optimize core gameplay and content experience. This mechanism helps reduce the uncertainty in R&D decision-making and enhance the product completeness of key projects.

- **Global Publication:** Compared with focusing solely on a single market, the Group's global publication capabilities help expand the user coverage and revenue potential of a single product and extend the commercial life cycle of the product. The Group has accumulated product publishing and operation experience in markets such as Chinese Mainland, HMT regions, Japan, South Korea, Southeast Asia, Europe and the United States, and continues to enhance its capabilities in localization adaptation, marketing, user acquisition, community building and long-term operation. While consolidating its mobile gaming business, the Group also actively explores publication channels on platforms like PCs (Steam). Through cross-platform product pipeline reserves and publishing practices, the Group will continue to accumulate expertise in platform adaptation, user operation and community building, and select appropriate publishing platforms and commercialization methods based on the positioning of different products, so as to broaden the market boundaries of its products.

- **Long-term Operation:** Long-term operation is an important foundation of the Group's business model. Many of the Group's major games have maintained a stable player base and market 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 more than six years. For products in their maturity stage, the Group emphasizes core player retention, content investment efficiency and operational pace management, and continuously delivers appealing content and events by aligning with player needs. At the same time, the Group promptly drives existing products into new regions and platforms, further exploring product value through localized publishing and cross-platform operation.

Industry Overview

1. Stable Policy Environment and Ongoing Shift in Market Competition Landscape

In the first half of 2026, China's gaming industry maintained stable operations overall. According to the *Report on China's Gaming Industry from January to June 2026* published by the Game Publishing Committee of the China Audio-video and Digital Publishing Association, multiple regions successively introduced and implemented game support policies that were more precisely focused and featured more detailed and pragmatic measures. This provided a relatively stable policy environment for enterprises to carry out product R&D, content innovation and overseas expansion. Meanwhile, as the content quality and cultural attributes of game products continued to improve, the social recognition of games as digital cultural products and a form of mass entertainment continued to rise, laying a sound foundation for the long-term development of the industry.

From the perspective of actual market performance, the industry has gradually transitioned from scale expansion to a development stage characterized by both stock competition and structural divergence. Although the market saw an abundant supply of new offerings, players' demands for product quality, gameplay innovation and service experience continued to rise, increasing the difficulty of user acquisition, reputation building and long-term retention. The market exhibited features of "intensifying stock competition and growing challenges in achieving incremental breakthroughs", with industry growth opportunities increasingly concentrated in enterprises possessing differentiated content, stable R&D capabilities and a foundation in long-term operation. Against this backdrop, the Group will continue to prudently assess market changes and product opportunities, and allocate R&D and publishing resources in a reasonable manner. On the one hand, the Group will consolidate the user activity of mature products and extend their life cycles through high-frequency content updates and refined event management; on the other hand, the Group will implement more stringent phased validation for pipeline projects, and promptly optimize product direction and publishing arrangements based on test data and player feedback, so as to minimize the uncertainty in commercialization.

2. Continued Expansion of Overseas Market Models and Higher Requirements for Global Operation Capabilities

Expanding into overseas markets remains an important strategic direction for Chinese game companies to broaden their user base and seek business growth. In the first half of 2026, Chinese game companies continued to promote their products into different countries and regions, and the overseas expansion strategy continued to evolve towards multi-platform and diversified genres, including PCs and consoles. Certain products featuring innovative gameplay, differentiated themes or distinctive cultural characteristics gained the attention of overseas players, reflecting the accumulated experience of Chinese teams in content production, technical capabilities and global publishing. However, with an influx of a large number of market participants into the international arena, the user acquisition dividend in key global regional markets has shown signs of fading, making premiumization and differentiation the keys to breaking through. Significant differences exist across countries and regions in terms of cultural preferences, payment habits and channel ecosystems, imposing higher requirements on game companies' capabilities in localized customization, global simultaneous publishing and financial risk resilience.

Faced with the rising threshold for going overseas, the Group adheres to a "steady and solid" globalization strategy. While steadily advancing the overseas expansion of mobile products, the Group explores publication channels on PC platforms such as Steam, accumulating cross-platform operation experience. Going forward, the Group will continue to deepen its insights into regional user needs, channel rules and market environments, and steadily iterate its global publishing capabilities.

3. Significant Enhancement of R&D Standards and AI Technology Reshaping the Industry's Mode of Production

In the first half of 2026, both high-profile cross-platform AAA titles and independent games delving deeply into niche segments demonstrated extremely high creative vitality. The exposure and success of several major headliner projects not only boosted industry confidence but also substantively raised the industry's industrialization standards and player expectations. To maintain core competitiveness, developers must increase investment in creative design, art details and core gameplay, and companies need to endure a prolonged period of cost input and market uncertainty before product launch.

At the same time, breakthroughs in cutting-edge technologies such as AI have provided strong support for the creation of premium games. The Game Publishing Committee of the China Audio-video and Digital Publishing Association released the *Report on China's Gaming Industry from January to June 2026*, where it listed the "comprehensive penetration of AI technology into the industry chain, reshaping R&D and gameplay experience on the basis of cost reduction and efficiency enhancement" as one of the five major operational characteristics of the industry in the first half of the year. AI is no longer a "nice-to-have" optional feature, but has become normalized infrastructure that empowers the development of the industry. The Group is currently in a phase of concentrated investment and strength accumulation for large-scale strategic projects such as *Project E (項目E)*. To smoothly navigate the investment period brought about by the elevation of product thresholds, we deeply embed AI technology into every core segment of game R&D, aiming to maximize R&D efficiency while ensuring high product quality. We firmly believe that at a time when industry thresholds are being reassessed, maintaining strategic focus and patiently polishing premium products with global competitiveness is an effective path to transcend cycles and create long-term returns for our Shareholders.

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 (unaudited)	**%**	RMB'000 (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.

As of June 30, 2026, 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 June 30, 2026
1~30	**62.6%**
31~90	**37.1%**
91~360	**0.3%**
Total	**100%**

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 in equity funds, 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	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
Hao Great China Focus Non-US Feeder Fund (incorporated in the Cayman Islands)						
For the year ended December 31, 2025	January 2022	3,920,009.77	20,376,739.97	Nil	6,117,043.06	6.98%[1]
For the six months ended June 30, 2026			54,094,785.64	Nil	33,718,045.67	15.92%
3W Global Non-US Feeder Fund (incorporated in the Cayman Islands)						
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%

Note:

1. *Reference is made to the annual report of the Company for the year ended December 31, 2025 published on April 20, 2026, in which it was stated that, 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. The Company wishes to clarify that, as at December 31, 2025, the Group held one single investment, namely Hao Great China Focus Non-US Feeder Fund, which accounted for more than 5% of the total assets of the Group. Save for this, the Group did not possess any single investment which accounted for more than 5% of the total assets of the Group as at December 31, 2025.*

Each of Hao Great China Focus Non-US Feeder Fund (the "**Fund**") and 3W Global Non-US Feeder Fund is principally engaged in asset management and investment. The Fund primarily invests in large-cap and mega-cap stocks listed in Chinese Mainland, Hong Kong, the United States and other regions, employing a long-short hedging strategy. 3W Global Non-US Feeder Fund primarily invests in large-cap and mega-cap stocks listed in Chinese Mainland, Hong Kong, Taiwan, the United States, Japan and other regions, employing a long-short hedging strategy. 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.

The Fund is managed by Hao Capital Management Limited ("**Hao Capital**") and Hao Advisors Management Limited ("**Hao Advisors**"). Hao Capital was incorporated in April 2014 and is approved by the Cayman Islands Monetary Authority and serves as the investment manager of the Fund. Hao Advisors was incorporated in Hong Kong in October 2014 and holds a Type 9 (Asset Management) licence issued by the Securities and Futures Commission of Hong Kong, serving as the investment adviser to the Fund. Hao Advisors manages assets on behalf of global institutional investors, with clients ranging from single and multi-families offices to insurance companies.

The investment manager of 3W Global Non-US Feeder Fund, 3W Fund Management Limited, is a private company incorporated in Hong Kong. From November 2012, it has been licensed by the Securities and Futures Commission of Hong Kong to carry out Type 9 (Asset Management) regulated activities. 3W Global Non-US Feeder Fund is committed to maximising absolute returns and seeking capital growth through fundamental investment principles based primarily on a value-oriented approach.

Investment Strategy for the Significant Investments

The Group's investments in the Fund and 3W Global Non-US Feeder Fund 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 flexibly, 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.

Investment Activities

I. Investment Portfolio

The Company's investment portfolio is summarized as follows: As at June 30, 2026, the Company held cash and cash equivalents of approximately RMB348.6 million, short-term investments of approximately RMB1,614.9 million and long-term investments of approximately RMB156.5 million, representing 15.1%, 70.1% and 6.5% of the Company's total assets, respectively.

The Wealth Management products in the Company's investment portfolio are issued and managed by financial institutions that are all licensed in Hong Kong, with an average of over 17 years of investment management experience. The Company believes they possess strong risk control and liquidity management capabilities.

The Fixed Income Funds in the Company's investment portfolio are managed by fund managers licensed in Chinese Mainland, Hong Kong and Ireland, with an average of over 13 years of investment management experience. The Company believes that such managers have established a systematic and disciplined investment research and execution framework in the fixed income funds market, covering core trading factors such as macro interest rates, credit fundamentals, liquidity and cross-market trading.

The Equity Funds in the Company's investment portfolio are managed by fund managers licensed in Chinese Mainland, Hong Kong, the United States and the British Virgin Islands, with an average of over 8 years of investment management experience. They mostly seek an edge in the equity market by leveraging in-depth research into specific industries, such as the technology sector in the first half of 2026.

The Private Equity Funds in the Company's investment portfolio are managed by reputable fund managers licensed in Chinese Mainland, Hong Kong or overseas. The funds have already been established for more than approximately 5 years on average, with core management teams generally having over 10 years of investment experience, specializing in investment targets within the internet industry (including but not limited to video/mobile games, SaaS, entertainment, e-commerce, etc.).

For the six months ended June 30, 2026, the Company did not receive any distribution from its investments. For the year ended December 31, 2025, the Company received distributions from its investments of approximately RMB570,000, comprising dividends of approximately RMB500,000 from Investments in Unlisted Companies and approximately RMB70,000 from Investments in Private Equity Funds. Certain distributions were reinvested in the same investment fund rather than being paid to the Company, and have been reflected in the calculation of the fair value of the investments.

Asset category	Number of investment made	Net asset value by percentage of investment portfolio as at June 30, 2026	Net asset value by percentage of total assets as at June 30, 2026	Yield for the year 2025[9]	Yield for the six months ended June 30, 2026[9]	Investment strategies	Investment period	Source of funding
Cash and Cash Equivalents[1], [7]	N/A	16.5%	15.1%	N/A	N/A	N/A	N/A	N/A
Wealth Management[2]	7	17.8%	16.4%	1.5%	1.2%	Invest in select money market products to enhance yields relative to cash and cash equivalents, while maintaining high liquidity	Short-term (approximately 1 week to 1 month)	Internal resources
Fixed Income Funds[3]	13	18.1%	16.6%	2.8%	−2.9%	Invest primarily in government bonds and high-grade credit bonds, with attention to duration and leverage; mitigate volatility through diversified allocation and target stable returns, including coupon income	Short-term (approximately 1 week to 3 months)	Internal resources
Equity Funds[4]	18	40.5%	37.1%	36.5%	76.7%	Employ global asset allocation, long-short hedging and quantitative strategies to manage volatility; enforce strict stop-loss measures and target absolute returns	Short-term (approximately 1 week to 3 months)	Internal resources
Investments in Unlisted Companies[5]	6	4.7%	4.3%	−5.4%	−7.7%	Target investments with strong synergies with the Company's core business; seek a balance between business synergy value and equity value appreciation through deep collaboration	Long-term (approximately more than 1 year)	Internal resources and proceeds
Investments in Private Equity Funds[6]	6	2.4%	2.2%	−3.2%	−7.6%	Select fund managers with strong track records; adopt co-investment and staged capital contribution strategies with a focus on long-term value	Long-term (approximately more than 1 year)	Internal resources
Total	50	100.00%	91.70%					

Notes:

(1) Cash and cash equivalents as defined by Hong Kong Financial Reporting Standards (HKFRS);

(2) Money market funds, notes, etc., with investments primarily in money market instruments such as government bonds, bills, deposits and certificates of deposit;

(3) Bond funds, government bonds, etc., with investments primarily in bonds issued by governments, quasi-government bodies, banks, financial institutions or other corporate entities;

(4) Index-based quantitative funds, hedge funds, etc., employing diversified investment strategies such as hedging, quantitative analysis and index enhancement; primary investment scope includes stocks listed on major global exchanges such as Shanghai Stock Exchange, Shenzhen Stock Exchange, the Stock Exchange, NYSE and NASDAQ;

As at June 30, 2026, the equity funds, broken down by primary investment region (based on stock listing location), were as follows:

Primary Investment Region	***Percentage of Equity Funds***
Overseas	*75.4%*
Greater China	*24.6%*
Total	*100%*

As at June 30, 2026, the equity funds, broken down by position strategy, were as follows:

Position Strategy	***Percentage of Equity Funds***
Long-Short Hedging	*79.2%*
Long-Only	*20.8%*
Total	*100%*

(5) Companies exhibiting synergistic effects with the Company's core business, including but not limited to game companies as well as art and animation companies;

(6) Private equity funds that primarily invest in gaming, cultural and creative, as well as internet-related industries;

(7) The Company holds cash and cash equivalents primarily to fund daily operations rather than to generate investment returns;

(8) Discrepancy in the table between the total and the sums of the amounts listed therein is due to rounding; and

(9) Yield is calculated as the aggregate cumulative fair value gains/(losses) of the relevant asset category during the corresponding period divided by the aggregate net asset value of such asset category at the beginning of the period, after factoring in all distributions received by the Company from such investments during the relevant period.

The Company mitigates counterparty risk by methods including diversifying its investments and investing in reputable and well-managed financial institutions. The Company places significant emphasis on maintaining portfolio liquidity, as reflected in the high proportion of short-term investments and the strong liquidity of its short-term investment portfolio set out in the section headed "Liquidity, Capital Resources and Gearing Ratio" above, which is designed to ensure a quick redemption of the investment portfolio when the Company's core business requires funds, thus providing timely and sufficient capital.

II. Investment Policy and Objectives

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.

III. Risk Management and Control Measures

The Company's risk management and control measures in relation to investment activities are summarized as follows:

(a) Pre-investment:

The Company typically maintains cash reserves equivalent to 12-18 times of its monthly operating expenses, ensuring stable business operations and robust control systems. The Company also conducts monthly review of its cash coverage of short term liabilities due within one year, maintaining a coverage ratio of at least two times. Through its budget tracking system, the Company is able to reserve additional funds for anticipated capital needs.

In relation to investment activities, strict adherence to the Company's external investment management system is required, with professional investment team screening and assessing investment targets, to ensure that the product risk assessment level is within the Company's policy limits. Products operated by professional institutions with good credit status, financial standing, no negative credit records and strong profitability are selected, and corresponding pre-investment due diligence documents are prepared.

(b) Defined risk limits:

The Company applies different risk management policies towards different types of investments. For short-term investments:

- When overall annual portfolio return falls below a predetermined threshold, the management will conduct in-depth review and suspend new investments; where the overall return rate falls below a further predetermined threshold, the management should report the matter to the Board to decide whether to initiate redemptions of higher-risk investment.

- If the annual return of a single investment falls below a specified threshold and the investment loss exceeds a predetermined amount, the Chief Financial Officer ("**CFO**") and CEO will conduct an in-depth review of the decision-making process and post-investment management of that investment and redeem the product.

- Since Listing, the Company's short-term investment portfolio has maintained positive annual returns with no single investment having triggered the above thresholds.

For long-term investments:

- Such investments are primarily industrial investments aimed at supporting the Company's businesses. The Company focuses on the investee's long-term capabilities, business prospects rather than short-term financial performance.

- The Company will consider exit when such investments cease to have business synergies or are incapable of generating financial returns.

(c) Contract approval:

The person responsible for executing the particular investment initiates the process, with the finance and legal teams reviewing and providing opinions on the associated investment, financial and legal risks of the terms of the agreement. Contract signing is completed after the approval from the executive Director in charge.

(d) Payment for the investment:

Payment for the investment requires the person responsible for executing the particular investment to initiate via Company's internal system, the finance cashier to review relevant information and approval from the finance manager, CFO and CEO is required before payment can be made.

(e) *Post-investment management:*

The investment team tracks and reports the performance of investment products regularly to identify risks that may result in significant losses and deal with them in a timely manner, or to discuss and assess operations such as renewal or redemption of products. These decisions still require approval before implementation.

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.

IV. Approval and Oversight Mechanisms

The Company has different approval procedures for long-term and short-term investments.

The process for long-term investments includes preliminary screening, project follow-up (including product trials, founder interviews etc.), due diligence and investment proposal preparation, legal and financial contracts review, Chief Operating Officer ("**COO**") and CEO approval, CFO payment approval. Size tests will be conducted to determine whether announcement and the Board/Shareholders' approval are required.

The process for short-term investments includes preliminary product screening, due diligence (including legal risk assessment, historical return analysis, investment strategy research, fee negotiations, fund manager interviews), investment proposal preparation, legal and financial contracts review, CFO and CEO approval. Size tests will be conducted to determine whether announcement and the Board/Shareholders' approval are required.

Every investment by the Company, regardless of investment amount, requires the CEO's approval. Short-term investments are jointly approved by the CFO and CEO, long-term investments are jointly approved by the COO and CEO, and require CFO payment approval.

For other policies related to governance and oversight of investments, please refer to "II. Investment Policy and Objectives" and "III. Risk management and control measures" sub-sections above.

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.

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND THE CHIEF EXECUTIVE OF THE COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As of June 30, 2026, the interests or short positions of our Directors and chief executives in the Shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or (ii) to be entered into the register required to be kept by the Company pursuant to Section 352 of the SFO, or (iii) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code set out in Appendix C3 to the Listing Rules were as follows:

Name of Director	Nature of interest	Number of Shares or underlying Shares	Approximate percentage of shareholding interest[(1)]
Mr. Yang Xu ("**Mr. Yang**")[(2)]	Settlor of a discretionary trust	206,057,019	29.81%
Mr. Huang Zhiqiang ("**Mr. Huang**")[(3)]	Settlor of a discretionary trust	25,015,715	3.62%
	Interest in controlled corporation	37,307,058	5.40%
Mr. Liu Siming ("**Mr. Liu**")[(4)]	Settlor of a discretionary trust	12,842,792	1.86%
Mr. Zeng Xiangshuo ("**Mr. Zeng**")[(5)]	Interest in controlled corporation	7,439,214	1.08%

Notes:

(1) *The calculation is based on the total number of issued shares of the Company as of June 30, 2026, being 691,330,500 Shares.*

(2) *The Company is held as to 29.81% by Keiskei Holding Ltd., following the completion of the Global Offering and the partial exercise of the over-allotment option on January 7, 2022. Keiskei Holding Ltd. is a company incorporated in the British Virgin Islands (the "**BVI**") and is held as to 99% by Yang Family Holding Limited and 1% by Keiskei QC Ltd., a company wholly-owned by Mr. Yang. Yang Family Holding Limited is held by the Peter Yang Family Trust, which was established by Mr. Yang as the settlor. TMF (Cayman) Ltd. is the trustee of the Peter Yang Family Trust, and Mr. Yang and his family members are the beneficiaries of the Peter Yang Family Trust. As such, Mr. Yang is deemed to be interested in our Shares held by Keiskei Holding Ltd. Mr. Yang is also a director of Keiskei Holding Ltd.*

(3) *The Company is held as to 3.62% and 5.40% by Intelligence QC Holding Ltd. and Intelligence QC Ltd., respectively, following the completion of the Global Offering and the partial exercise of the over-allotment option on January 7, 2022. Intelligence QC Holding Ltd. is a company incorporated in the BVI and is held as to 99% by Intelligence Future Holding Limited and 1% by Intelligence QC Ltd., a company wholly-owned by Mr. Huang. Intelligence Future Holding Limited is held by Intelligence Future Trust, which was established by Mr. Huang as the settlor. TMF (Cayman) Ltd. is the trustee of Intelligence Future Trust, and Mr. Huang and his family members are the beneficiaries of the Intelligence Future Trust. As such, Mr. Huang is deemed to be interested in our Shares held by Intelligence QC Holding Ltd. and Intelligence QC Ltd. Mr. Huang is also a director of Intelligence QC Holding Ltd.*

(4) *The Company is held as to 1.86% by Gentle Tiger Holding Ltd., following the completion of the Global Offering and the partial exercise of the over-allotment option on January 7, 2022. Gentle Tiger Holding Ltd. is a company incorporated in the BVI and is held as to 99% by Sebastian Family Holding Limited and 1% by Gentle Tiger Ltd., a company wholly-owned by Mr. Liu. Sebastian Family Holding Limited is held by the Sebastian Family Trust, which was established by Mr. Liu as the settlor. TMF (Cayman) Ltd. is the trustee of the Sebastian Family Trust, and Mr. Liu and his family members are the beneficiaries of the Sebastian Family Trust. As such, Mr. Liu is deemed to be interested in our Shares held by Gentle Tiger Holding Ltd. Mr. Liu is also a director of Gentle Tiger Holding Ltd.*

(5) *Cloud Rings Ltd. is a company incorporated in the BVI which owns 7,439,214 shares of the Company and is wholly-owned by Mr. Zeng. As such, Mr. Zeng is deemed to be interested in the 7,439,214 Shares held by Cloud Rings Ltd.*

Save as disclosed above, so far as the Directors and the chief executive of the Company are aware, none of the Directors or the chief executive of the Company had registered an interest or short position in any Shares or underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be notified under Divisions 7 and 8 of Part XV of the SFO or recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As of June 30, 2026, the interests of relevant persons (other than a Director or the chief executive of the Company) who had interests or short positions in the Shares or the underlying shares, as recorded in the register required to be kept under Section 336 of SFO, were as follows:

Name of Shareholder	Nature of interest	Number of Shares or underlying Shares	Approximate percentage of shareholding interest[1]
Keiskei Holding Ltd.[2]	Beneficial owner (L)	206,057,019	29.81%
Yang Family Holding Limited[2]	Interest in controlled corporation (L)	206,057,019	29.81%
Mr. Yang[2]	Settlor of a discretionary trust (L)	206,057,019	29.81%
HK Kunpan[3]	Beneficial owner (L)	128,243,058	18.55%
G-bits[3]	Interest in controlled corporation (L)	128,243,058	18.55%
Intelligence QC Ltd.[4]	Beneficial owner (L)	37,307,058	5.40%
Mr. Huang[4]	Settlor of a discretionary trust (L) Interest in controlled corporation (L)	25,015,715 37,307,058	3.62% 5.40%
Rapid Yacht Ltd.[5]	Beneficial interest (L)	47,338,076	6.85%
Mr. Ye Jiting ("**Mr. Ye**")[5]	Interest in controlled corporation (L)	47,338,076	6.85%
TMF (Cayman) Ltd.[6]	Trustee (L)	243,915,526	35.28%
Alibaba Qookka[7]	Beneficial interest (L)	36,884,938	5.34%
Alibaba[7]	Interest in controlled corporation (L)	36,884,938	5.34%

Notes:

(1) *The calculation is based on the total number of issued shares of the Company as of June 30, 2026, being 691,330,500 Shares.*

(2) *The Company is held as to 29.81% by Keiskei Holding Ltd., following the completion of the Global Offering and the partial exercise of the over-allotment option on January 7, 2022. Keiskei Holding Ltd. is a company incorporated in the BVI and is held as to 99% by Yang Family Holding Limited and 1% by Keiskei QC Ltd., a company wholly-owned by Mr. Yang. Yang Family Holding Limited is held by the Peter Yang Family Trust, which was established by Mr. Yang as the settlor. TMF (Cayman) Ltd. is the trustee of the Peter Yang Family Trust, and Mr. Yang and his family members are the beneficiaries of the Peter Yang Family Trust. As such, Mr. Yang is deemed to be interested in our Shares held by Keiskei Holding Ltd. Mr. Yang is also a director of Keiskei Holding Ltd.*

(3) *HK Kunpan is a direct wholly-owned subsidiary of G-bits.*

(4) *The Company is held as to 3.62% and 5.40% by Intelligence QC Holding Ltd. and Intelligence QC Ltd., respectively, following the completion of the Global Offering and the partial exercise of the over-allotment option on January 7, 2022. Intelligence QC Holding Ltd. is a company incorporated in the BVI and is held as to 99% by Intelligence Future Holding Limited and 1% by Intelligence QC Ltd., a company wholly-owned by Mr. Huang. Intelligence Future Holding Limited is held by Intelligence Future Trust, which was established by Mr. Huang as the settlor. TMF (Cayman) Ltd. is the trustee of Intelligence Future Trust, and Mr. Huang and his family members are the beneficiaries of the Intelligence Future Trust. As such, Mr. Huang is deemed to be interested in our Shares held by Intelligence QC Holding Ltd. and Intelligence QC Ltd. Mr. Huang is also a director of Intelligence QC Holding Ltd.*

(5) *The Company is held as to 6.85% by Rapid Yacht Ltd., and Rapid Yacht Ltd. is wholly owned by Mr. Ye. As such, Mr. Ye is deemed to be interested in our Shares held by Rapid Yacht Ltd.*

(6) *TMF (Cayman) Ltd. is the trustee of Intelligence Future Trust, Peter Yang Family Trust and Sebastian Family Trust which in aggregate held 243,915,526 Shares. Hence, TMF (Cayman) Ltd. is deemed to be interested in such 243,915,526 Shares as a trustee.*

(7) *Alibaba Qookka is ultimately owned by Alibaba.*

Save as disclosed above, so far as the Directors are aware, no other persons had registered an interest or short position in any Shares or underlying shares or debentures of the Company that was required to be recorded pursuant to Section 336 of the SFO, or as otherwise notified.

CHANGES IN DIRECTORS' INFORMATION

Dr. Yuan Yuan has served as an independent non-executive director of Most Kwai Chung Limited (01716.HK) since May 2026. He has also served as an independent director of SENSTEED HI-TECH GROUP (000981.SZ) since February 2026.

Save as disclosed above, since the publication of the Company's latest annual report, there has been no change to the information of the Directors subject to disclosure under Rule 13.51B(1) of the Listing Rules.

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 report.

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 report, 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 report.*

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 Dr. Yuan Yuan (Chairman), Professor Lam Sing Kwong Simon and Ms. Fang Weijin. Dr. 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 report have been reviewed by the Group's auditor, BDO Limited.

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

Report on Review of Condensed Consolidated Interim Financial Statements

TO THE BOARD OF DIRECTORS OF QINGCI GAMES INC.
(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated interim financial statements set out on pages 45 to 109, which comprise the condensed consolidated interim statement of financial position of Qingci Games Inc (the "Company") and its subsidiaries (collectively referred to as the "Group") as at 30 June 2026 and the related condensed consolidated interim statement of profit or loss and other comprehensive income, condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the six-month period then ended, and notes to the condensed consolidated interim financial statements, including material accounting policy information (the "condensed consolidated interim financial statements"). The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial statements to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the condensed consolidated interim financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on the condensed consolidated interim financial statements based on our review. This report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

CONCLUSION

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

BDO Limited
Certified Public Accountants
IP, Ka Ming
Practising Certificate Number: P08322
Hong Kong, 27 August 2026

Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income

For the six months ended June 30, 2026

	Notes	Six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue	6	**169,730**	247,180
Cost of sales	7	**(72,692)**	(93,032)
Gross profit		**97,038**	154,148
Selling and marketing expenses	7	**(32,595)**	(55,041)
Research and development expenses	7	**(63,615)**	(42,016)
General and administrative expenses	7	**(35,147)**	(27,426)
Net impairment losses on financial assets	7	**(87)**	(35)
Fair value changes on investments measured at fair value through profit or loss	8	**358,843**	44,066
Other income	9	**1,011**	2,467
Other (losses)/gain, net	10	**(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	11	**1,842**	3,854
Share of results of investments accounted for using equity method	18	**795**	779
Losses on impairment of investments accounted for using the equity method	18	**(2,628)**	–
Profit before income tax		**320,915**	85,148
Income tax expenses	12	**(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

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

For the six months ended June 30, 2026

		Six months ended 30 June	
	Notes	**2026 RMB'000 (Unaudited)**	2025 RMB'000 (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)	*13*	**0.46**	0.10

Condensed Consolidated Interim Statement of Financial Position

As at June 30, 2026

	Notes	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	*14*	9,193	10,212
Right-of-use assets	*15*	4,555	8,640
Intangible assets	*16*	800	998
Deferred tax assets	*17*	18,055	21,953
Investments accounted for using the equity method	*18*	29,164	31,034
Long-term investments measured at fair value through profit or loss	*19*	156,549	148,055
Prepayments, deposits and other assets	*20*	20,428	23,849
		238,744	244,741
Current assets			
Trade receivables	*21*	25,511	29,001
Inventories		1,817	1,521
Prepayments, deposits and other assets	*20*	84,793	58,779
Short-term investments measured at fair value through profit or loss	*22*	1,614,901	1,273,075
Cash and cash equivalents	*23*	348,560	444,310
		2,075,582	1,806,686
Total assets		2,314,326	2,051,427
EQUITY			
Share capital	*24*	44	44
Share premium	*24*	5,117,821	5,117,821
Other reserves	*25*	(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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at June 30, 2026

	Notes	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
LIABILITIES			
Non-current liabilities			
Lease liabilities	27	345	1,824
Borrowings	28	14,440	–
		14,785	1,824
Current liabilities			
Trade payables	29	15,411	22,279
Other payables and accruals	30	39,677	63,629
Contract liabilities	26	42,121	44,461
Current income tax liabilities		1,798	1,244
Lease liabilities	27	4,988	7,932
Short-term liabilities measured at fair value through profit or loss	22	51	–
Borrowings	28	24,040	10,000
		128,086	149,545
Total liabilities		142,871	151,369
Total equity and liabilities		2,314,326	2,051,427

The notes on pages 53 to 109 are an integral part of these condensed consolidated interim financial statements.

The condensed consolidated interim financial statements on pages 45 to 109 were approved by the Board of Directors on 27 August 2026 and were signed on its behalf.

Huang Zhiqiang
Director

Liu Siming
Director

Condensed Consolidated Interim Statement of Changes in Equity

For the six months ended June 30, 2026

	Attributable to equity holders of the Company						
	Share capital RMB'000	Share premium RMB'000	Other reserves RMB'000	Accumulated deficit RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total RMB'000
(Unaudited)							
As at 1 January 2026	44	5,117,821	(2,922,662)	(286,819)	1,908,384	(8,326)	1,900,058
Comprehensive income							
Profit for the period	–	–	–	315,284	315,284	861	316,145
Other comprehensive income							
– Currency translation differences	–	–	(44,753)	–	(44,753)	89	(44,664)
Total comprehensive income for the period	–	–	(44,753)	315,284	270,531	950	271,481
Acquisition of non-controlling interests in a subsidiary *(Note 25)*	–	–	(4,968)	–	(4,968)	4,884	(84)
As at 30 June 2026	44	5,117,821	(2,972,383)	28,465	2,173,947	(2,492)	2,171,455

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the six months ended June 30, 2026

	Attributable to equity holders of the Company						
	Share capital RMB'000	Share premium RMB'000	Other reserves RMB'000	Accumulated deficit RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total RMB'000
(Unaudited)							
As at 1 January 2025	44	5,117,821	(2,893,722)	(408,568)	1,815,575	(8,754)	1,806,821
Comprehensive income							
Profit for the period	–	–	–	70,257	70,257	2,408	72,665
Other comprehensive income							
– Currency translation differences	–	–	(6,351)	–	(6,351)	23	(6,328)
Total comprehensive income for the period	–	–	(6,351)	70,257	63,906	2,431	66,337
Acquisition of non-controlling interests in a subsidiary *(Note 25)*	–	–	1,315	–	1,315	(1,315)	–
As at 30 June 2025	44	5,117,821	(2,898,758)	(338,311)	1,880,796	(7,638)	1,873,158

The notes on pages 53 to 109 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Interim Statement of Cash Flows

For the six months ended June 30, 2026

	Notes	Six months ended 30 June 2026 RMB'000 (Unaudited)	 2025 RMB'000 (Unaudited)
Cash flows from operating activities			
Profit for the period		**316,145**	72,665
(Decrease)/increase in trade payables		**(6,868)**	1,878
Other operating cash flows		**(364,575)**	(26,147)
Cash (used in)/generated from operations		**(55,298)**	48,396
Interest paid		**(351)**	(202)
Income tax paid		**(1,464)**	(3,934)
Net cash (used in)/generated from operating activities		**(57,113)**	44,260
Cash flows from investing activities			
Purchase of property, plant and equipment	*14*	**(2,925)**	(1,716)
Proceeds from sale of property, plant and equipment	*14*	**–**	355
Purchases of intangible assets	*16*	**–**	(452)
Acquisition of long-term investments measured at fair value through profit or loss	*19*	**(20,344)**	(51)
Capital reduction of long-term investments measured at fair value through profit or loss	*19*	**–**	8,785
Proceeds from sale of long-term investments measured at fair value through profit or loss	*19*	**571**	600
Purchase of short-term financial assets at fair value through profit and loss	*22*	**(75,363)**	(171,358)
Redemption of short-term financial assets at fair value through profit and loss	*22*	**64,898**	76,254
(Loans to)/repayment form third parties	*20*	**(21,533)**	4,000
Repayment from/(loans to) employee	*20*	**935**	(450)
Payment of deposits for stock accounts	*20*	**(4,237)**	(7,419)
Decrease in other receivables from investments	*20*	**1,768**	–
Increase in amounts due from related parties	*20*	**(3)**	–
Placement of term deposits with initial term of over three months	*23*	**–**	(12,000)
Redemption of short-term financial liabilities at fair value through profit and loss	*22*	**192**	–
Dividends from long-term investments measured at fair value through profit or loss	*9*	**–**	637
Acquisition of non-controlling interests in a subsidiary		**(84)**	–
Interest received		**2,429**	3,198
Net cash used in investing activities		**(53,696)**	(99,617)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the six months ended June 30, 2026

		Six months ended 30 June	
	Notes	**2026 RMB'000 (Unaudited)**	2025 RMB'000 (Unaudited)
Cash flows from financing activities			
Proceeds from borrowings (including interests)	*28*	**28,480**	(6)
Repayment of lease liabilities (including interests)	*27*	**(5,374)**	(4,533)
Net cash generated from/(used in) financing activities		**23,106**	(4,539)
Net decrease in cash and cash equivalents		**(87,703)**	(59,896)
Cash and cash equivalents at the beginning of the period		**444,310**	449,975
Effects of exchange rate changes on cash and cash equivalents		**(8,047)**	3,379
Cash and cash equivalents at the end of the period	*23*	**348,560**	393,458

The notes on pages 53 to 109 are an integral part of these condensed consolidated interim 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 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 16 December 2021.

2. BASIS OF PREPARATION

The condensed consolidated interim financial statements for the six months ended 30 June 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 1 January 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 in note 5.

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 31 December 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.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(a) Amended standards adopted by the Group (Continued)

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.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(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 1 January 2027
2 No mandatory effective date yet determined but available for adoption

4. FINANCIAL RISK MANAGEMENT

4.1. Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk, cash flow and fair value interest rate risk), credit risk and liquidity risk.

The Interim Financial Information does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the 2025 Financial Statements.

There were no significant changes in any material risk management policies during the six months ended 30 June 2026.

4.2. Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for owners and benefits for other owners and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital by regularly reviewing the capital structure. As a part of this review, the directors of the Company considers the cost of capital and the risks associated with the issued share capital. The Group may adjust the amount of dividends paid to owners, return capital to owners, issue new shares or repurchase the Company's shares. In the opinion of the directors of the Company, the Group's risk associated with capital management is low.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

4.3. Fair value estimation

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value in the interim financial statements.

(a) Fair value hierarchy

The table below analyses the Group's financial instruments carried at fair value as at 30 June 2026 and 31 December 2025, by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorized into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required for evaluating the fair value of a financial instrument are observable, the instrument is included in level 2.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

4.3. Fair value estimation (Continued)

(a) Fair value hierarchy (Continued)

If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3. Specific valuation techniques used to value financial instruments mainly include:

- Quoted market prices or dealer quotes for similar instruments;
- The fair value of foreign currency forward contracts is determined using present value of future cash flows based on forward exchange rates at the balance sheet date; and
- Other techniques, various applicable valuation techniques are used to determine fair value for financial instruments (Note 4.3(c)).

The following table presents the Group's assets and liabilities that are measured at fair value as at 30 June 2026 and the Group's assets that are measured at fair value as at 31 December 2025.

	Notes	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
(Unaudited)					
As at June 30, 2026					
Financial assets					
Short-term investments measured at fair value through profit or loss	*22*				
– Investment funds *(i)*		178,666	–	1,436,235	1,614,901
Investments in unlisted companies and private equity funds	*19*				
– Investments in private equity funds *(iii)*		–	8,056	46,062	54,118
– Investments in unlisted companies		–	–	100,248	100,248
– Investments in life insurance policy *(iv)*		–	–	2,183	2,183
		178,666	8,056	1,584,728	1,771,450
Financial liabilities					
Short-term liabilities measured at fair value through profit or loss					
– Derivative instruments – Foreign currency forward contracts *(v)*	*22*	–	51	–	51

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

4.3. Fair value estimation (Continued)

(a) Fair value hierarchy (Continued)

	Notes	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
(Audited)					
As at December 31, 2025					
Financial assets					
Short-term investments measured at fair value through profit or loss	*22*				
– Investment funds *(i)*		170,132	–	1,102,707	1,272,839
– Investment in listed companies *(ii)*		236	–	–	236
Investments in unlisted companies and private equity funds	*19*				
– Investments in private equity funds *(iii)*		–	–	36,781	36,781
– Investments in unlisted companies		–	–	108,618	108,618
– Investments in life insurance policy *(iv)*		–	–	2,656	2,656
		170,368	–	1,250,762	1,421,130

(i) *The Group invested in investment funds which holds a combination of listed securities as well as bonds, derivatives, wealth management products and term deposits, etc. The maximum exposure to loss for the Group as a result of its involvement with these investments funds (regardless of the probability of the loss being incurred) is equivalent to the carrying amount of these investments funds and there are no capital commitments as at 30 June 2026 and 31 December 2025. Fair value of Level 3 investment funds were determined by using various applicable valuation techniques. Changes in fair value of these financial assets had been recognized in "Fair value changes on investments measured at fair value through profit or loss" in the condensed consolidated interim statement of profit or loss and other comprehensive income.*

(ii) *Investment in listed companies represented investments in listed companies' equity securities.*

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

4.3. Fair value estimation (Continued)

(a) Fair value hierarchy (Continued)

(iii) *The Group invested in a portfolio of private equity funds which focused on investing in various industries as well as term deposits and wealth management products. The maximum exposure to loss for the Group as a result of its involvement with these private equity funds (regardless of the probability of the loss being incurred) is equivalent to the carrying amount of these investments and there are no further capital commitments as at 30 June 2026 (31 December 2025: nil). Fair value of Level 3 private equity funds were determined by using various applicable valuation techniques. Changes in fair value of these financial assets had been recognized in "Fair value changes on investments measured at fair value through profit or loss" in the condensed consolidated interim statement of profit or loss and other comprehensive income.*

(iv) *The Group entered into contracts with an insurance company which contains life insurance policies to insure against the death of related parties of the Group with insured sum of US$4,000,000 (equivalent to approximately RMB28,115,200). Under these contracts, the beneficiary and policy holder is the Holding Company. The Group has to pay a one-off premium payment of US$3,740,013 (equivalent to approximately RMB26,714,538). The Group have a loan with the same insurance company at the same time of amount USD2,800,000 (equivalent to approximately RMB20,000,120), thus the Group has actual paid a one-off premium payment of US$940,013 (equivalent to approximately RMB6,714,418.43) as at 31 December 2025.*

(v) *The Group entered into a foreign exchange forward contract to manage its exposure to foreign currency risk. The contract matures in August 2026 and has a specified exercise rate. Under the terms of the contract, the notional amount is USD2,000,000 if the spot exchange rate at maturity is equal to or below the exercise rate, and USD4,000,000 if the spot exchange rate at maturity exceeds the exercise rate. Changes in the fair value of the foreign exchange forward contract are recognised in "Fair value changes on financial instruments at fair value through profit or loss" in the condensed consolidated interim statement of profit or loss and other comprehensive income.*

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

4.3. Fair value estimation (Continued)

(b) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items including investments in investment fund, unlisted companies and private equity funds for the six months ended 30 June 2026 and 2025.

Investment funds

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
At the beginning of the period	**1,102,707**	1,132,316
Additions	**63,418**	168,506
Changes in fair value	**367,621**	43,685
Redemption	**(64,668)**	(66,635)
Currency exchange differences	**(32,843)**	(4,652)
At the end of the period	**1,436,235**	1,273,220

Investments in unlisted companies and private equity funds

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
At the beginning of the period	**145,399**	161,254
Additions	**10,341**	51
Changes in fair value	**(8,701)**	(302)
Capital reduction	**–**	(8,785)
Disposal	**(571)**	(600)
Currency exchange differences	**(158)**	(16)
At the end of the period	**146,310**	151,602

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

4.3. Fair value estimation (Continued)

(b) Fair value measurements using significant unobservable inputs (level 3) (Continued)

Life insurance policy

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
At the beginning of the period	**2,656**	–
Changes in fair value	**(395)**	–
Currency exchange differences	**(78)**	–
At the end of the period	**2,183**	–

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

4.3. Fair value estimation (Continued)

(c) Valuation process and techniques

The Group has a team that manages the valuation of level 3 instruments for financial reporting purposes. The team manages the valuation exercise of the investments on a case by case basis. At least once a year, the team uses valuation techniques to determine the fair value of the Group's level 3 instruments. External valuation experts will be involved when necessary.

As these instruments are not traded in an active market, their fair values have been determined by using various applicable valuation techniques, including:

- For investments in investment funds, the Group determines fair values as at the reporting date based on the net asset value of the respective funds provided by fund administrators or fund managers. Where necessary, the Group also assess the reliability of the net asset value to ensure appropriateness.

- For investments in unlisted companies, their fair values have been determined using applicable valuation techniques including comparable companies approach. These valuation approaches require significant judgments, assumptions and inputs, including discount for lack of marketability ("DLOM"), enterprise value to revenue multiple ("EV/Revenue"), trending analysis, etc.

- For investments in private equity funds, the Group determines fair values as at the reporting date based on the net asset values of the funds as at 30 June 2026 and 31 December 2025. Where necessary, the Group perform further assessments based on applicable valuation approach. These valuation approaches require significant judgements, assumptions and inputs, including DLOM, EV/Revenue, trending analysis, market information of recent transactions (such as recent fund-raising transactions undertaken by investees) or other exposure, etc.

- The Group has the right to terminate the policy at any time and receive cash back based on the cash value of the policy at the date of termination, which is determined by the premium payment plus accumulated interest earned and minus the accumulated insurance charge and repayment of the borrowing principal and interest. The insurer will declare interest (including the guaranteed interest) to the Group on a monthly basis, based on the amount of account value, at a rate to be determined at insurer's own discretion.

There were no change to valuation techniques during the reporting period.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

4.3. Fair value estimation (Continued)

(d) Valuation inputs and relationship to fair value

The following table summarizes the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements.

Description	Fair value			Range of inputs		Relationship of unobservable inputs to fair value
	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)	**Unobservable inputs**	**As at 30 June 2026**	As at 31 December 2025	
Investments in unlisted companies	**100,248**	106,862	EV/Revenue multiples	**1.1X-22.9X**	1.15x – 29.26x	The higher the EV/Revenue, the higher the fair value
	–	1,756	Trending analysis	**N/A**	40.49%	The higher the market capitalisation, the higher the fair value
Investments in private equity funds	**46,062**	36,781	N/A	**N/A**	N/A	N/A
Investment funds	**1,436,235**	1,102,707	N/A	**N/A**	N/A	N/A
Life insurance policy	**2,183**	2,656	Surrender cash value (including guaranteed interest) reported by the financial institution on a regular basis	**N/A**	N/A	The higher the surrender cash value, the higher the fair value

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of Interim Financial Information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this Interim Financial Information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the 2025 Financial Statements.

6. 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 30 June 2026 and 31 December 2025, substantially all of the non-current assets of the Group were located in the PRC.

6. SEGMENT INFORMATION AND REVENUE (CONTINUED)

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

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (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 30 June 2026 and 2025, respectively, were from five largest single customers.

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

6. SEGMENT INFORMATION AND REVENUE (CONTINUED)

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

	Six months ended 30 June	
	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 30 June 2026 and 2025, respectively:

	Six months ended 30 June	
	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.

7. EXPENSES BY NATURE

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (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 *(Note 15)*	**3,911**	4,549
Professional services fee	**3,328**	3,069
Depreciation of property, plant and equipment *(Note 14)*	**3,854**	2,689
Amortization of intangible assets *(Note 16)*	**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

8. FAIR VALUE CHANGES ON INVESTMENTS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Fair value changes on long-term investments measured at fair value through profit or loss *(Note 19)*	**(10,946)**	(302)
Fair value changes on short-term investments measured at fair value through profit or loss *(Note 22)*	**369,648**	44,320
Fair value changes on derivative instruments *(Note 22)*	**141**	48
Total	**358,843**	44,066

9. OTHER INCOME

	Six months ended 30 June	
	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.

10. OTHER (LOSSES)/GAIN, NET

	Six months ended 30 June	
	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

11. FINANCE INCOME, NET

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Finance income		
Interest income from bank deposits	**2,896**	4,984
Finance costs		
Interest expenses on lease liabilities	**(172)**	(539)
Bank charges	**(550)**	(389)
Interest expenses on bank borrowings	**(332)**	(202)
Finance income, net	**1,842**	3,854

12. 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 30 June 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 30 June 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 30 June 2026 and 2025.

12. INCOME TAX EXPENSES (CONTINUED)

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 1 January 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 30 June 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.

12. INCOME TAX EXPENSES (CONTINUED)

	Six months ended 30 June	
	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 *(Note 17)*	**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 30 June	
	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

13. 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 30 June 2026 and 2025.

	Six months ended 30 June	
	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

14. PROPERTY, PLANT AND EQUIPMENT

	Servers and other equipment RMB'000	Furniture and appliances RMB'000	Vehicles RMB'000	Leasehold improvements RMB'000	Total RMB'000
(Unaudited)					
At 1 January 2025					
Cost	1,170	12,193	8,516	10,856	32,735
Accumulated depreciation	(1,170)	(6,909)	(4,200)	(6,401)	(18,680)
Net book amount	–	5,284	4,316	4,455	14,055
Six months ended 30 June 2025					
Opening net book amount	–	5,284	4,316	4,455	14,055
Additions	–	902	–	814	1,716
Depreciation *(Note 7)*	–	(958)	(689)	(1,042)	(2,689)
Disposal	–	(21)	(321)	(13)	(355)
Currency exchange differences	–	24	–	–	24
Closing net book amount	–	5,231	3,306	4,214	12,751
At 30 June 2025					
Cost	79	11,787	7,731	9,768	29,365
Accumulated depreciation	(79)	(6,556)	(4,425)	(5,554)	(16,614)
Net book amount	–	5,231	3,306	4,214	12,751

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Servers and other equipment RMB'000	Furniture and appliances RMB'000	Vehicles RMB'000	Leasehold improvements RMB'000	Total RMB'000
(Unaudited)					
At 1 January 2026					
Cost	79	14,721	7,728	12,646	35,174
Accumulated Impairment	–	(469)	–	–	(469)
Accumulated depreciation	(79)	(10,153)	(5,114)	(9,147)	(24,493)
Net book amount	–	4,099	2,614	3,499	10,212
Six months ended 30 June 2026					
Opening net book amount	–	4,099	2,614	3,499	10,212
Additions	–	271	2,077	577	2,925
Depreciation *(Note 7)*	–	(825)	(723)	(2,306)	(3,854)
Written off	–	(81)	–	–	(81)
Currency exchange differences	–	(9)	–	–	(9)
Closing net book amount	–	3,455	3,968	1,770	9,193
At June 30 2026					
Cost	40	11,995	9,804	11,554	33,393
Accumulated Impairment	–	(469)	–	–	(469)
Accumulated depreciation	(40)	(8,071)	(5,836)	(9,784)	(23,731)
Net book amount	–	3,455	3,968	1,770	9,193

Depreciation expenses have been charged to the condensed consolidated interim statement of profit or loss and other comprehensive income as follows:

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Cost of revenues	792	426
Selling and marketing expenses	1,493	757
Research and development expenses	736	1,023
General and administrative expenses	833	483
	3,854	2,689

15. RIGHT-OF-USE ASSETS

	Properties RMB'000
(Unaudited)	
At 1 January 2025	
Cost	53,248
Accumulated depreciation	(34,969)
Net book amount	18,279
Six months ended 30 June 2025	
Opening net book amount	18,279
Additions	1,011
Depreciation *(Note 7)*	(4,549)
Early termination	(3,603)
Currency exchange differences	(14)
Closing net book amount	11,124
At 30 June 2025	
Cost	50,642
Accumulated depreciation	(39,518)
Net book amount	11,124
(Unaudited)	
At 1 January 2026	
Cost	**52,179**
Accumulated depreciation	**(43,539)**
Net book amount	**8,640**
Six months ended 30 June 2026	
Opening net book amount	**8,640**
Depreciation *(Note 7)*	**(3,911)**
Early termination	**(146)**
Currency exchange differences	**(28)**
Closing net book amount	**4,555**
At 30 June 2026	
Cost	**36,653**
Accumulated depreciation	**(32,098)**
Net book amount	**4,555**

15. RIGHT-OF-USE ASSETS (CONTINUED)

During the period ended 30 June 2026, fully amortized right-of-use assets with an aggregate gross cost and accumulated amortization of RMB15,526,000 were derecognized upon the expiration of the underlying lease contracts. No gain or loss was recognized in the consolidated statement of profit or loss in respect of these derecognitions as the carrying amounts were nil at the date of expiration.

The condensed consolidated interim statement of profit or loss and other comprehensive income and the condensed consolidated interim statement of cash flows contain the following amounts relating to leases:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Depreciation charge of right-of-use assets	**3,911**	4,549
Interest expenses	**172**	539
Expenses relating to short-term leases	**279**	753
The cash outflow for leases payment related to short-term lease as operating activities	**294**	642
The cash outflow for leases as financing activities	**5,374**	4,533

16. INTANGIBLE ASSET

	License RMB'000
(Unaudited)	
At 1 January 2025	
Cost	1,834
Accumulated amortization	(298)
Net book amount	1,536
Six months ended 30 June 2025	
Opening net book amount	1,536
Additions	452
Amortization *(Note 7)*	(331)
Currency exchange differences	(7)
Closing net book amount	1,650
At 30 June 2025	
Cost	2,278
Accumulated amortization	(628)
Net book amount	1,650

16. INTANGIBLE ASSET (CONTINUED)

	License RMB'000
(Unaudited)	
At 1 January 2026	
Cost	2,245
Accumulated amortization	(944)
Accumulated impairment	(303)
Net book amount	998
Six months ended 30 June 2026	
Opening net book amount	998
Amortization *(Note 7)*	(181)
Currency exchange differences	(17)
Closing net book amount	800
At 30 June 2026	
Cost	2,189
Accumulated amortization	(1,096)
Accumulated impairment	(293)
Net book amount	800

17. DEFERRED INCOME TAXES

The following amounts, determined after appropriate offsetting, are shown in the condensed consolidated interim statement of financial position:

Deferred tax assets

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
The balance comprises temporary differences attributable to:		
– Lease liabilities	485	992
– Tax losses	3,707	4,726
– Impairment of non-financial assets	750	1,676
– Marketing and promotion expenses	9,580	11,365
– Loss allowance for financial assets	36	140
– Contract liabilities	3,196	3,191
– Temporary difference related to payroll payables	781	781
Total gross deferred tax assets	18,535	22,871
Set-off of deferred tax liabilities pursuant to set-off provisions	(480)	(918)
Net deferred tax assets	18,055	21,953
Deferred tax assets:		
– to be recovered within 12 months	10,807	12,935
– to be recovered after 12 months	7,248	9,018
	18,055	21,953

17. DEFERRED INCOME TAXES (CONTINUED)

Deferred tax liabilities

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
The balance comprises temporary differences attributable to:		
– Right-of-use assets	**480**	918
Total gross deferred tax liabilities	**480**	918
Set-off of deferred tax assets pursuant to set-off provisions	**(480)**	(918)
Net deferred tax liabilities	**–**	–

17. DEFERRED INCOME TAXES (CONTINUED)

Deferred tax assets

The movement on the gross deferred income tax assets is as follows:

	Tax losses RMB'000	Net impairment losses on non-financial assets RMB'000	Loss allowance for financial assets RMB'000	Short-term investments measured at fair value through profit or loss RMB'000	Marketing and promotion expenses RMB'000	Lease liabilities RMB'000	Contract liabilities RMB'000	Temporary difference related to payroll payables RMB'000	Total RMB'000
(Unaudited)									
At 1 January 2025	7,626	5,884	9	2,336	10,634	2,075	2,441	781	31,786
Credited/(charged) to consolidated income statement	(2,802)	(668)	7	(2,336)	1,485	(591)	1,301	–	(3,604)
Currency exchange differences	82	–	–	–	–	22	–	–	104
At 30 June 2025	4,906	5,216	16	–	12,119	1,506	3,742	781	28,286
(Unaudited)									
At 1 January 2026	4,726	1,676	140	–	11,365	992	3,191	781	22,871
Credited/(charged) to consolidated income statement	(869)	(926)	(100)	–	(1,785)	(503)	5	–	(4,178)
Currency exchange differences	(150)	–	(4)	–	–	(4)	–	–	(158)
At 30 June 2026	**3,707**	**750**	**36**	**–**	**9,580**	**485**	**3,196**	**781**	**18,535**

17. DEFERRED INCOME TAXES (CONTINUED)

Deferred tax liabilities

The movement on the gross deferred income tax liabilities is as follows:

	Right-of-use assets RMB'000
(Unaudited)	
At 1 January 2025	1,966
Charged to consolidated income statement	(575)
Currency translation impact	19
At 30 June 2025	1,410
(Unaudited)	
At 1 January 2026	**918**
Charged to consolidated income statement	**(434)**
Currency translation impact	**(4)**
At 30 June 2026	**480**

The Group only recognizes deferred income tax assets for cumulative tax losses if it is probable that future taxable amounts will be available to utilize those tax losses. Management will continue to assess the recognition of deferred income tax assets in future reporting periods. As at 31 December 2025 and 30 June 2026, the Group did not recognize deferred income tax assets of RMB121.05 million and RMB141.90 million, in respect of cumulative tax losses amounting to RMB504.73 million and RMB583.88 million. These tax losses in Chinese Mainland will expire from 2027 to 2031.

18. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
At the beginning of the period	**31,034**	32,863
Share of results of associates	**795**	779
Currency exchange differences	**(37)**	–
Impairment *(a)*	**(2,628)**	–
At the end of the period	**29,164**	33,642

(a) *The Group regularly carries out impairment indicator assessment on the associates.*

During the period ended 30 June 2026, certain associates faced significant difficulties in business and finance, mainly due to changing of market, unsatisfying research and development status and struggling cash flows. Those associates were under-performed in both operation and financial results and showed impairment indicators. Management reviewed the financial and business outlook of those associates and determined the recoverable amounts of those investments based on their net asset value and value in use and made impairment provision of approximately RMB2.6 million and nil against the carrying amounts of these investments in associates for the period ended 30 June 2026 and 2025 respectively.

(b) The Group has interests in a number of individually immaterial associates that are accounted for using the equity method.

	As at 30 June 2026	As at 31 December 2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Aggregate carrying amount of individually immaterial associates	**29,164**	31,034
Aggregate amounts of the Group's share of:		
– Net loss	**795**	1,317

19. LONG-TERM INVESTMENTS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Investments in unlisted companies	**100,248**	108,618
Investments in private equity funds	**54,118**	36,781
Investments in life insurance policy	**2,183**	2,656
	156,549	148,055

Movements in long-term investments measured at fair value through profit or loss during the six months ended 30 June 2026 and 2025, are as follows:

	Six months ended 30 June 2026 RMB'000 (Unaudited)	Six months ended 30 June 2025 RMB'000 (Unaudited)
At the beginning of the period	**148,055**	161,254
Additions *(a)*	**20,344**	51
Changes in fair value *(note 8)*	**(10,946)**	(302)
Capital reduction *(b)*	**–**	(8,785)
Disposal	**(571)**	(600)
Currency exchange differences	**(333)**	(16)
At the end of the period	**156,549**	151,602

As at 30 June 2026 and 31 December 2025, long-term investments measured at fair value through profit or loss mainly represented: 1) investments in unlisted companies without significant influence; 2) equity investments in private equity funds in which the Group act as limited partners without significant influence; 3) investment in life insurance policy. The Group has determined the fair value of these financial assets based on certain valuation techniques as disclosed in Note 4.3.

19. LONG-TERM INVESTMENTS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(a) *During the six months ended 30 June 2026, the Group acquired 7.49% equity interests in an unlisted company, at a consideration of JPY230,000,000. The Group has no significant influence over the investee. Therefore, the Group recognized the investment as a long-term investment measured at fair value with changes recognized in profit or loss.*

During the six months ended 30 June 2026, the Group acquired 0.86% equity interests in an investment fund, at a consideration of USD1.5 million. The Group has no significant influence over the investee. Therefore, the Group recognized the investment as a long-term investment measured at fair value with changes recognized in profit or loss.

During the year ended 31 December 2025, the Group acquired 7.4% and 10% equity interests in two unlisted companies, both of which are engaged in business management, psychological counselling and other businesses, at a consideration of RMB1,000 and RMB50,000, respectively. The Group has no significant influence over the investee. Therefore, the Group recognized the investment as a long-term investment measured at fair value with changes recognized in profit or loss.

(b) *During the six months ended 30 June 2026, there was no capital reduction from a private equity fund.*

20. PREPAYMENTS, DEPOSITS AND OTHER ASSETS

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Non-current		
Prepayments for game licenses *(a)*	**20,428**	23,173
Rent and other deposits	**–**	676
	20,428	23,849
Current		
Prepayments for sharing of proceeds *(a)*	**41,215**	38,410
Prepayments for marketing and promotion services	**2,240**	1,976
Deposits in stock accounts	**4,728**	491
Loans due from third parties *(b)*	**21,533**	–
Other receivables from investments	**1,907**	3,675
Prepayments to service providers	**5,702**	6,364
Amounts due from related parties *(Note 32(c)(iv))*	**3**	–
Rental and other deposits	**2,109**	1,810
Loans due from employees	**3,126**	4,061
Others	**2,303**	2,472
Less: allowance for impairment	**(73)**	(480)
	84,793	58,779

(a) *The Group licenses online games from game developers and pays game license fees and sharing of proceeds earned from selling in-game virtual items to game developers. The prepayments for game license fees are transferred to intangible assets when the Group receives related licensed games. The prepayments for sales-based sharing of proceeds are expensed and recorded into cost of sales on incurred basis.*

As at 30 June 2026, the Group performed the impairment assessment and wrote off certain prepayments to game developers amounting to RMB7.3 million based on the value in use assessment of the recoverable amount of such prepayments.

In respect of the recoverable amount determined with reference to the value in use assessment, the estimated cash flows used in the assessment were based on the assumptions, including long-term growth rates, pre-tax discount rates, forecasted revenue and gross margin, with reference to the business plans, prevailing market conditions, game development status and testing or operational performance of the relevant games. As of 30 June 2026, the pre-tax discount rates were 1.84%, and the revenue growth rate range were -30% to -60%.

(b) *In January 2026, the Group entered into unsecured nine months loan agreements with third party and lent RMB20,000,000 at a fixed interest rate of 2.00% per annum and repayable by October 2026.*

In March 2026, the Group entered into unsecured nine months loan agreements with individual and lent USD200,000 at a fixed interest rate of 2.00% per annum and repayable by December 2026.

21. TRADE RECEIVABLES

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (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

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Third parties	**23,718**	28,426
Related parties	**1,990**	686
	25,708	29,112
Less: allowance for impairment	**(197)**	(111)
	25,511	29,001

21. TRADE RECEIVABLES (CONTINUED)

(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 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (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

(b) The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. The Group overall considers the shared credit risk characteristics and the days past due of each type of the trade receivables to measure the expected credit losses. During the six months ended 30 June 2026 and 2025, the expected loss rate for related parties trade receivables is low and immaterial, and the expected credit loss rates for third-parties trade receivables are determined according to provision matrix as follows:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Within 3 months	0.10%	0.10%
3 months to 6 months	0.87%	0.87%
6 months to 1 year	4.95%	4.95%
1 to 2 years	20.74%	20.74%
Over 2 years	100.00%	100.00%

21. TRADE RECEIVABLES (CONTINUED)

(b) (Continued)

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 30 June 2026 and 31 December 2025 respectively and the corresponding historical credit losses experienced within the period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified growth rate of Gross Domestic Product and IT & Information Service Output Price Index of the countries in which it operates to be the most relevant factors and accordingly adjusts the historical loss rates based on expected changes in these factors.

Movements on the Group's allowance for impairment of trade receivables are as follows:

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
At the beginning of the period	**111**	35
Provision	**104**	70
Reversal	**(16)**	(35)
Currency exchange differences	**(2)**	–
At the end of the period	**197**	70

The provisions and reversal of provisions for trade receivables have been included in "Net impairment losses on financial assets" in the condensed consolidated interim statement of profit or loss and other comprehensive income.

(c) The directors of the Group considered that the carrying amounts of the trade receivables balances approximated their fair value as at 30 June 2026 and 31 December 2025.

21. TRADE RECEIVABLES (CONTINUED)

(d) The carrying amount of the Group's trade receivables is denominated in the following currencies:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
USD	**13,358**	16,411
RMB	**8,798**	7,848
HKD	**2,292**	3,138
JPY	**360**	338
AUD	**562**	956
SGD	**338**	421
	25,708	29,112

(e) The maximum exposure to credit risk as at 30 June 2026 and 31 December 2025 was the carrying value of the trade receivables. The Group did not hold any collateral as security.

22. 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. Fair value measurement are as disclosed in Note 4.3.

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Financial assets		
At the beginning of the period	**1,273,075**	1,146,208
Additions	**75,363**	171,358
Change in fair value *(Note 8)*	**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

22. SHORT-TERM INVESTMENTS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Financial liabilities – derivative instruments		
At the beginning of the period	**–**	–
Additions	**–**	–
Change in fair value *(Note 8)*	**141**	48
Redemption	**(192)**	(48)
At the end of the period	**(51)**	–

23. CASH AND CASH EQUIVALENTS

	As at 30 June, 2026	As at 31 December 2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Cash on hand and cash in bank	**297,501**	337,100
Term deposits with initial term of over one year *(i)*	**10,000**	10,000
Term deposits with initial terms within three months	**36,128**	93,483
Cash held by other financial institutions *(ii)*	**4,931**	3,727
	348,560	444,310

23. CASH AND CASH EQUIVALENTS (CONTINUED)

(i) *As at 30 June 2026 and 31 December 2025, the Group held a three years certificate of deposit with Agricultural Bank of China in the amount of RMB10,000,000, with an annual interest rate of 2.35% and maturing in January 2027. Although the deposit has a fixed term, it can be transferred to a third party at any time without additional fees. Therefore, the deposit is classified as current cash and cash equivalents.*

(ii) *As at 30 June 2026 and 31 December 2025, the Group had certain amounts of cash held in accounts managed by other financial institutions, such as Alipay and WeChat Pay in connection with the provision of online and mobile payment services which meet the definition of cash and cash equivalents and presented on the condensed consolidated interim statement of financial position.*

(iii) *The Group's cash and cash equivalents denominated are primarily deposited with banks in Chinese Mainland and Hong Kong. The conversion of the RMB denominated balances into foreign currencies, which are placed within the PRC, is subject to the rules and regulations of foreign exchange control promulgated by the PRC Government.*

Cash and cash equivalents are denominated in the following currencies:

	As at 30 June, 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
USD	**254,363**	241,564
RMB	**63,121**	112,195
JPY	**2,228**	20,169
HKD	**20,808**	63,140
SGD	**7,239**	6,458
AUD	**670**	422
KRW	**131**	362
	348,560	444,310

24. 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 2025 and 30 June 2026	5,000,000	50	–	N/A
Issued				
As at 31 December 2025 and 30 June 2026	691,331	7	44	5,117,821

25. OTHER RESERVES

	Capital reserve RMB'000	Statutory reserves RMB'000	Share-based compensation expenses RMB'000	Currency translation differences RMB'000	Total RMB'000
(Unaudited)					
As at 1 January 2025	(3,139,354)	11,422	70,536	163,674	(2,893,722)
Acquisition of non-controlling interests in a subsidiary *(note 1)*	1,315	–	–	–	1,315
Currency translation differences	–	–	–	(6,351)	(6,351)
As at 30 June 2025	(3,138,039)	11,422	70,536	157,323	(2,898,758)
(Unaudited)					
As At 1 January 2026	(3,138,039)	11,422	70,536	133,419	(2,922,662)
Acquisition of non-controlling interests in a subsidiary *(note 2)*	(4,968)	–	–	–	(4,968)
Currency translation differences	–	–	–	(44,753)	(44,753)
As at 30 June 2026	(3,143,007)	11,422	70,536	88,666	(2,972,383)

25. OTHER RESERVES (CONTINUED)

Note 1:

During the current interim period, the Group acquired 20% of the remaining interest in Qingcheng Digital Technology (Hongkong) Limited, the subsidiary of the Company, increasing its continuing interest to 100%. The proceeds on the acquisition of RMB2 were received in cash. An amount of RMB1,315,000 being the proportionate share of the carrying amount of the net assets of Qingcheng Digital Technology (Hongkong) Limited has been transferred from non-controlling interests. The difference of RMB1,315,000 between the decrease in the non-controlling interests and the consideration paid has been debited to capital reserve.

Note 2:

During the current interim period, the Group acquired 17% of the remaining interest in BARLEY PLAY PTE. LTD., the subsidiary of the Company, increasing its continuing interest to 100%. The proceeds on the acquisition of USD12,325 were received in cash. An amount of RMB488,377.92 being the proportionate share of the carrying amount of the net liabilities of BARLEY PLAY PTE. LTD. has been transferred from non-controlling interests. The difference of RMB488,377.92 between the decrease in the non-controlling interests and the consideration paid has been debited to capital reserve.

During the current interim period, the Group acquired 20% of the remaining interest in Qingyu Limited, the subsidiary of the Company, increasing its continuing interest to 100%. The proceeds on the acquisition of HKD1 were received in cash. An amount of RMB4,395,424.98 being the proportionate share of the carrying amount of the net liabilities of Qingyu Limited has been transferred from non-controlling interests. The difference of RMB4,395,424.98 between the decrease in the non-controlling interests and the consideration paid has been debited to capital reserve.

26. CONTRACT LIABILITIES

Contract liabilities primarily consist of the unamortised revenue from sales of virtual items for mobile games, where there is still obligation to be provided by the Group to game players.

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Game operating	**42,121**	44,461

26. CONTRACT LIABILITIES (CONTINUED)

The following table shows the amount of revenue recognized in the condensed consolidated interim statement of profit or loss and other comprehensive income for the respective years/periods relating to contract liabilities brought forward:

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue recognized that was included in the contract liabilities balance at the beginning of the period		
Game operating	**44,461**	38,849

27. LEASE LIABILITIES

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Minimum lease payments due		
– Within 1 year	**5,145**	8,681
– Between 1 and 2 years	**348**	1,942
	5,493	10,623
Less: future finance charges	**(160)**	(867)
Present value of lease liabilities	**5,333**	9,756

27. LEASE LIABILITIES (CONTINUED)

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Lease liabilities		
−Within 1 year	**4,988**	7,932
−Between 1 and 2 years	**345**	1,824
	5,333	9,756

28. BORROWINGS

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Included in non-current liabilities		
RMB bank borrowings − unsecured	**14,440**	–
Included in current liabilities		
RMB bank borrowings − unsecured	**24,040**	10,000
	38,480	10,000

28. BORROWINGS (CONTINUED)

In November 2025, the Group entered into unsecured eleven months loan agreements with bank and borrowed RMB10,000,000, bearing a fixed interest rate of 2.25% per annum and repayable by the end of 2026.

In April 2026, the Group entered into unsecured one-year loan agreements with bank and borrowed RMB10,000,000, bearing a fixed interest rate of 2.40% per annum and repayable by April 2027.

In January 2026, the Group entered into unsecured one-year loan agreements with bank and borrowed RMB4,000,000, bearing a fixed interest rate of 2.25% per annum and repayable by January 2027.

In January 2026, the Group entered into unsecured three-year loan agreements with bank and borrowed RMB14,500,000, bearing a fixed interest rate of 2.9% per annum and repayable by the beginning of 2029. During the period ended 30 June 2026, the Group repaid bank borrowings amounting to RMB20,000. As at 30 June 2026, the borrowing balance of RMB40,000 was classified as current liabilities as the borrowings will be repayable within 12 months from the end of the reporting period. Pursuant to the loan agreements, these loans can only be used in research and development of the Group.

29. TRADE PAYABLES

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 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.

The carrying amount of the Group's trade payables is denominated in the following currencies:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
RMB	**8,081**	18,883
USD	**6,372**	2,080
JPY	**826**	968
AUD	**59**	73
HKD	**70**	253
KRW	**3**	22
	15,411	22,279

As at 30 June 2026 and 31 December 2025, the fair value of trade payables approximated to their carrying amount.

29. TRADE PAYABLES (CONTINUED)

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

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

30. OTHER PAYABLES AND ACCRUALS

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Salaries and benefits payables	28,948	51,146
Investment payables	84	–
Payables for professional fee	2,290	3,398
Other tax payables	8,248	8,959
Others	107	126
	39,677	63,629

30. OTHER PAYABLES AND ACCRUALS (CONTINUED)

The carrying amount of the Group's other payables is denominated in the following currencies:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
RMB	**24,574**	49,326
USD	**14,829**	13,696
AUD	**247**	219
JPY	**–**	237
KRW	**20**	144
HKD	**7**	7
	39,677	63,629

31. DIVIDEND

No dividend has been paid or declared by the Company during the period ended 30 June 2026 and 30 June 2025.

32. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operational decisions. Parties are also considered to be related if they are under control or joint control by the same party. Members of key management and their close family members of the Group are also considered as related parties.

The following significant transactions were carried out between the Group and its related parties during the periods presented. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

(a) Names and relationships with related parties

The following companies are significant related parties of the Group that had transactions and/or balances with the Group during the six months ended 30 June 2026 and 2025.

Name of related parties	**Relationship**
Shenzhen Hot Zone Network Technology Co., Ltd.	Associate
Shenzhen Jishiwu Technology Co., Ltd.	Associate
Shanghai Tuxian network technology Co., Ltd.	Associate
Beijing Zhijianlvdong network Technology Co., Ltd.	Associate
Chengdu Weimei Interactive Technology Co., Ltd.	Associate
Beijing Jingxin Management Consulting Co., Ltd.	Associate
Chengdu Lemai Interactive Technology Co., Ltd.	Common director
Guangzhou Jodo Information and Technology Co., Ltd.	Common director
Chengdu Xingqiwan Technology Co. Ltd. and its subsidiary	Common director
G-bits Group *(1)*	Shareholder

(1) G-bits Network Technology (Xiamen) Co., Ltd. ("G-bits Xiamen") is a shareholder of the Company. G-bits Group represents G-bits Xiamen and its subsidiaries, including Shenzhen Leiting Information Technology Co., Ltd., Xiamen Leiting Network Technology Co., Ltd. and Hongkong Leiting Information Technology Co., Ltd.

32. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Significant transactions with related parties

(i) Game licensing revenue

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
G-bits Group	**1,899**	2,619

(ii) Information service revenue

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
G-bits Group	**3**	847

(iii) Other revenue

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Chengdu Lemai Interactive Technology Co., Ltd.	**81**	81

32. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Significant transactions with related parties (Continued)

(iv) Commission to game developers

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Chengdu Xingqiwan Technology Co. Ltd. and its subsidiary	**4,402**	6,974
Beijing Zhijianlvdong network Technology Co., Ltd.	**304**	1,119
G-bits Group	**–**	201
Shenzhen Jishiwu Technology Co., Ltd.	**2,512**	1,635
Shenzhen Hot Zone Network Technology Co., Ltd.	**2,812**	9,315
	10,030	19,244

(v) Marketing and promotion expenses

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Guangzhou Jodo Information and Technology Co., Ltd.	**–**	671
G-bits Group	**–**	542
Chengdu Xingqiwan Technology Co. Ltd. and its subsidiary	**22**	1,240
	22	2,453

32. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Significant transactions with related parties (Continued)

(vi) Lease and administrative service expense

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
G-bits Group	**848**	1,214

(vii) Consulting service fees

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Beijing Jingxin Management Consulting Co., Ltd.	**328**	96

(viii) Research and development expense

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Chengdu Xingqiwan Technology Co. Ltd. and its subsidiary	**16,007**	–

32. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Year/period end balances with related parties

(i) Trade receivables from related parties

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Game publishing		
G-bits Group	**1,990**	686

The above balances with related parties were mainly denominated in RMB and USD. They were unsecure, trade in nature, non-interest bearing and repayable to the Group on demand.

(ii) Trade payables to related parties

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Commissions charged by game developers		
Chengdu Xingqiwan Technology Co. Ltd. and its subsidiary	**4,685**	8,831
Shenzhen Jishiwu Technology Co., Ltd.	**741**	883
Beijing Zhijianlvdong network Technology Co., Ltd.	**–**	163
Shenzhen Hot Zone Network Technology Co., Ltd.	**923**	1,534
Marketing and promotion payables		
Chengdu Xingqiwan Technology Co. Ltd. and its subsidiary	**3**	9
Guangzhou Jodo Information and Technology Co., Ltd.	**–**	3
G-bits Group	**18**	1,057
Consulting service fees		
Beijing Jingxin Management Consulting Co., Ltd.	**428**	314
Research and development payables		
Shanghai Tuxian network technology Co., Ltd.	**1,033**	961
Total	**7,831**	13,755

The above balances with related parties were mainly denominated in RMB. They were unsecure, trade in nature, non-interest bearing and repayable on demand.

32. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Year/period end balances with related parties (Continued)

(iii) Prepayments to related parties

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Prepayments for sharing of proceeds and game licenses		
Chengdu Xingqiwan Technology Co. Ltd. and its subsidiary	**20,409**	26,481
Beijing Zhijianlvdong network Technology Co., Ltd.	**–**	1,044
Shanghai Tuxian network technology Co., Ltd.	**–**	3,190
	20,409	30,715

The above balances with related parties were mainly denominated in RMB. They were unsecure, trade in nature and non-interest bearing.

32. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Year/period end balances with related parties (Continued)

(iv) Other receivables from related parties

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Non-trade		
Rental and other deposits *(1)*		
G-bits Group	**223**	223
Amounts due from related parties *(2)*		
Chengdu Weimei Interactive Technology Co., Ltd.	**3**	–
	226	223

(1) According to the leasing agreement, the rental deposits will be repaid by G-bits upon expiry of the leasing agreement.

(2) The amount due from Chengdu Weimei Interactive Technology Co., Ltd. was unsecure, non-trade nature, non-interest bearing and repayable on demand.

33. CONTINGENCIES

The Group did not have any material contingent liabilities as at 30 June 2026 and 31 December 2025.

34. SUBSEQUENT EVENTS

There were no material subsequent events occurred during the period from 30 June 2026 to the approval date of these condensed consolidated interim financial statements by the Board of Directors on 27 August 2026.

Definitions

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

"Alibaba"	Alibaba Group Holding Limited, a company incorporated in the Cayman Islands, the ordinary shares of which are listed on the Main Board of the Stock Exchange with the stock code: 9988 and its American Depositary Shares (each representing eight ordinary shares) are listed for trading on the New York Stock Exchange under the symbol "BABA"
"Alibaba Qookka"	Qookka Entertainment Limited (formerly known as Ejoy.com Limited), a company incorporated in Hong Kong with limited liability on February 28, 2012
"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
"G-bits"	G-bits Network Technology (Xiamen) Co., Ltd. (廈門吉比特網絡技術股份有限公司), a company incorporated in the PRC with limited liability on March 26, 2004 and is listed on the Shanghai Stock Exchange under the stock code: 603444, a substantial shareholder of the 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
"HK Kunpan"	Hongkong Kunpan Co., Limited (香港坤磐有限公司), a company incorporated in Hong Kong with limited liability on December 16, 2016, and an indirect wholly-owned subsidiary of G-bits
"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

DEFINITIONS

"PRC", "Chinese Mainland" or "China"	the People's Republic of China, excluding, for the purposes of this report, 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
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"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


青瓷游戏
QINGCI GAMES