祖龙娱乐
ARCHOSAUR GAMES

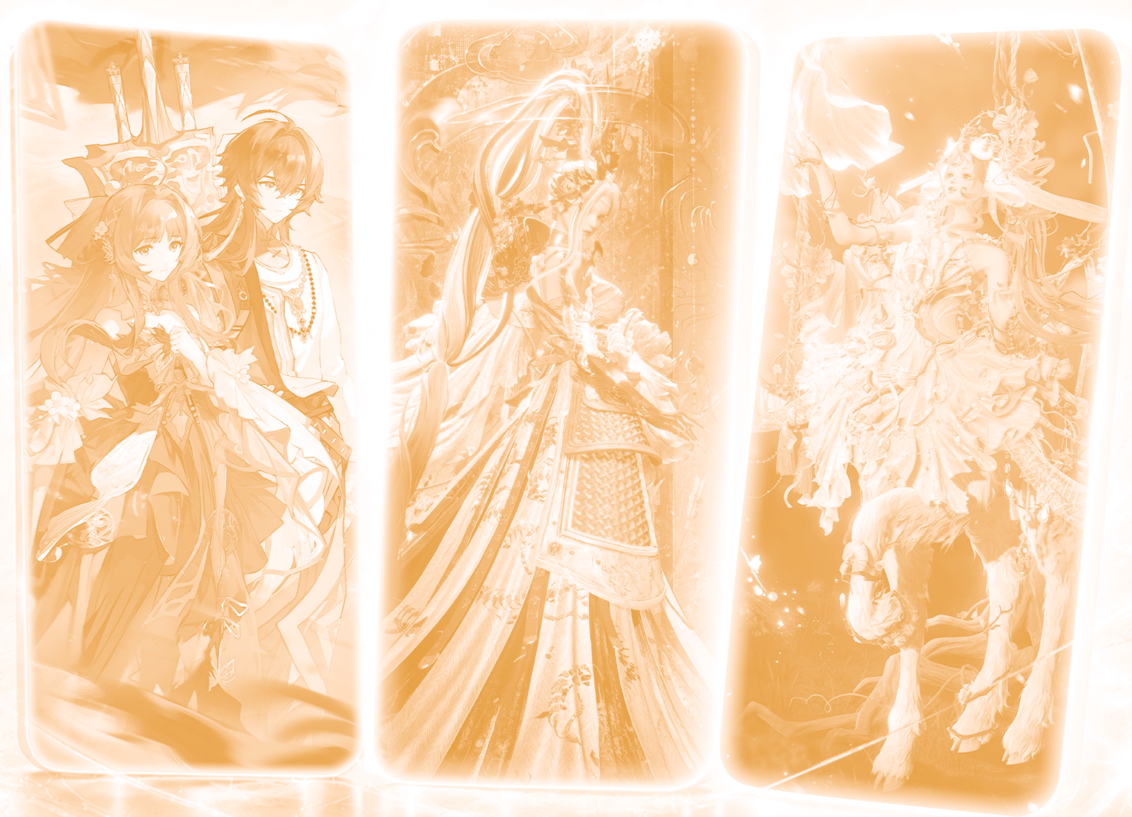
祖龙娱乐有限公司
Archosaur Games Inc.

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)

Stock Code 股份代號：9990

2026 Interim Report
中期報告

Contents



Definitions

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

"2022 RSU Scheme"	the restricted share unit scheme of the Company approved and adopted by the Shareholders on 22 December 2022 and terminated by the Shareholders on 19 August 2026
"2026 RSU Scheme"	the restricted share unit scheme of the Company approved and adopted by the Shareholders on 19 August 2026, in its present form or as may be amended from time to time
"Audit Committee"	the audit committee of the Company
"Board"	the board of Directors
"BVI"	the British Virgin Islands
"Company" or "Archosaur Games"	Archosaur Games Inc. 祖龙娱乐有限公司, an exempted company incorporated under the laws of the Cayman Islands with limited liability, whose Shares are listed and traded on the Main Board of the Stock Exchange (stock code: 9990)
"Corporate Governance Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Cresc Chorus"	Cresc Chorus Limited, a business company incorporated under the laws of the BVI with limited liability and one of the controlling Shareholders of the Company
"Director(s)"	the director(s) of the Company
"Eligible Employee"	any full-time employee (excluding any director) of the Company and any subsidiary in accordance with the terms of the Share Option Scheme
"Eligible Participant(s)"	any Eligible Employee who may be invited by the Board to take up the Options in accordance with the terms of the Share Option Scheme
"Exercise Price"	the price per Share at which a Grantee may subscribe for the Shares on the exercise of an Option in accordance with the terms of the Share Option Scheme
"Global Offering"	the initial public offering of the Shares for subscription by the public and the institutional, professional, corporate and other investors
"Grantee"	any Eligible Participant who accepts an Offer in accordance with the terms of the Share Option Scheme or (where the context so permits) his personal representative(s) who is/are entitled to any Option in consequence of the death of the original Grantee

Definitions

"Group", "we" or "us"	the Company and all of its subsidiaries and companies whose financial results have been consolidated and accounted as the subsidiaries of our Company by virtue of certain contractual arrangements, or, where the context so requires, in respect of the period before our Company became the holding company of our current subsidiaries, the business operated by such subsidiaries or their predecessors (as the case may be)
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IFRS"	IFRS Accounting Standards
"Listing"	listing of the Shares on the Main Board of the Stock Exchange
"Listing Date"	the date on which the Shares initially commenced their dealings on the Stock Exchange, i.e. 15 July 2020
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
"LuckQ"	LuckQ Technology Limited, a business company incorporated under the laws of the BVI with limited liability and one of the controlling Shareholders of the Company
"MMORPG"	massively multiplayer online role-playing game, a genre of games that combine role-playing games and massively multiplayer online games in which a large number of players interact with one another within a virtual world
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"Offer"	an offer for the grant of an Option in accordance with the terms of the Share Option Scheme
"Option"	an option to subscribe for the Shares granted in accordance with the terms of the Share Option Scheme

Definitions

"Perfect World"	Perfect World Co., Ltd.* (完美世界股份有限公司), a company established in the PRC, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 002624)
"Perfect World Games"	Perfect World Games Co., Ltd.* (完美世界遊戲有限責任公司), a company established under the laws of the PRC with limited liability on 14 November 2008
"Perfect World Holding"	Perfect World Holding Group Co., Ltd.* (完美世界控股集團有限公司), a company established under the laws of the PRC with limited liability on 14 August 2013
"Perfect World Holding Group"	Perfect World Holding and/or its respective affiliate(s)
"Perfect World Interactive"	Perfect World Interactive Entertainment Co., Ltd., an exempted company incorporated under the laws of the Cayman Islands with limited liability and holds 16.50% of the Shares as at 30 June 2026
"Player Relationship Period(s)"	expected playing period(s) of paying players in the Group's self-operated online game
"PRC"	the People's Republic of China
"Pre-IPO RSU(s)"	restricted share units granted in accordance with the terms of the Pre-IPO RSU Scheme
"Pre-IPO RSU Scheme"	the restricted share unit scheme of the Company approved and adopted by the Board on 1 April 2020, in its present form or as may be amended from time to time
"Prospectus"	the prospectus of the Company dated 30 June 2020
"Reporting Period"	the period for the six months ended 30 June 2026
"RMB"	Renminbi, the lawful currency of the PRC
"RSU(s)"	restricted share units granted pursuant to the 2022 RSU Scheme
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (as amended from time to time)
"Share Option Scheme"	the share option scheme of the Company approved and adopted by the Shareholders on 5 February 2021 and 22 December 2022, in its present form or as may be amended from time to time
"Share(s)"	ordinary share(s) of US$0.00001 each in the issued share capital of the Company
"Shareholder(s)"	holder(s) of Shares

Definitions

"SLG"	simulation games, a genre of games that attempt to emulate various activities from real life in the game format
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	for the purpose of this interim report, has the meaning ascribed to it in the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and includes companies whose financial results have been consolidated and accounted as the subsidiaries of our Company by virtue of certain contractual arrangements
"substantial shareholder(s)"	has the meaning ascribed to it in the Listing Rules
"Tencent"	Tencent Holdings Limited, an exempted company incorporated under the laws of the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 700), and/or its subsidiaries (as the case may be), and holds 17.14% of the Shares as at 30 June 2026
"treasury shares"	has the meaning ascribed to it in the Listing Rules
"Unreal Engine 4" and "Unreal Engine 5"	game engines developed by Epic Games
"US$"	United States dollars, the lawful currency of the United States
"%"	per cent

* *For identification purpose only in this interim report*

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Li Qing *(Chairman and chief executive officer)*
Mr. Bai Wei

Non-executive Directors

Mr. Li Nachuan
Mr. Lu Xiaoyin

Independent Non-executive Directors

Ms. Wang Jing
Mr. Zhu Lin
Mr. Ding Zhiping

AUDIT COMMITTEE

Mr. Zhu Lin *(Chairman)*
Ms. Wang Jing
Mr. Ding Zhiping

REMUNERATION COMMITTEE

Ms. Wang Jing *(Chairperson)*
Mr. Ding Zhiping
Mr. Li Qing

NOMINATION COMMITTEE

Mr. Li Qing *(Chairman)*
Ms. Wang Jing
Mr. Ding Zhiping

RISK MANAGEMENT COMMITTEE

Mr. Ding Zhiping *(Chairman)*
Mr. Li Qing
Mr. Zhu Lin

COMPANY SECRETARY

Ms. Hao Lili
Ms. Zhang Xiao *(resigned on 19 August 2026)*

AUTHORIZED REPRESENTATIVES

Mr. Li Qing
Ms. Zhang Xiao *(resigned on 19 August 2026)*
Ms. Hao Lili *(appointed on 19 August 2026)*

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
and Registered Public Interest Entity Auditor
22/F, Prince's Building
Central, Hong Kong

LEGAL ADVISERS

As to Hong Kong laws
Eric Chow & Co. in Association with
Commerce & Finance Law Offices
3401, Alexandra House
18 Chater Road
Central
Hong Kong

REGISTERED OFFICE IN CAYMAN ISLANDS

Ascentium (Cayman) Limited
4/F, Harbour Place
103 South Church Street, P.O. Box 10240
Grand Cayman KY1-1002
Cayman Islands

Corporate Information

HEADQUARTERS

4/F, No. 8 Hangxing Science Park
No. 11 HePingLi East Street
Dongcheng District, Beijing
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40/F, Dah Sing Financial Centre
248 Queen's Road East
Wanchai, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ascentium (Cayman) Limited
4/F, Harbour Place
103 South Church Street, P.O. Box 10240
Grand Cayman KY1-1002
Cayman Islands

HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKS

China Merchants Bank Co., Ltd.
Tianjin Wuqing Branch
Basement Shop No. 695, Jiafeng Building
Yongyang West Road
Yangcun Town
Wuqing District, Tianjin
PRC

China Everbright Bank Co., Ltd.
Deshengmen Branch
11th Floor, Beiguang Plaza
23 Huangsi Street
Xicheng District, Beijing
PRC

Industrial Bank Co., Ltd.
Beijing Haidian Branch
1st Floor, Beijing Aerospace CPMIEC Building
Haidian District, Beijing
PRC

Standard Chartered Bank (Hong Kong) Limited
3/F Standard Chartered Bank Building
4-4A Des Voeux Road Central
Hong Kong

COMPANY WEBSITE

www.zulong.com

STOCK CODE

9990

Financial Performance Highlights

	For the six months ended 30 June		
	2026	2025	
	RMB million	RMB million	Change
	(Unaudited)	(Unaudited)	%
Revenue	**608.6**	634.3	(4.1%)
Cost of revenue	**(175.5)**	(181.5)	(3.3%)
Gross profit	**433.1**	452.8	(4.4%)
Research and development expenses	**(261.6)**	(265.5)	(1.5%)
Selling and marketing expenses	**(288.3)**	(222.3)	29.7%
Administrative expenses	**(46.2)**	(44.8)	3.1%
Net impairment reversal/(losses) on financial assets	**4.8**	(0.3)	(1,700.0%)
Other income	**4.0**	4.0	0.0%
Other gains, net	**56.4**	39.3	43.5%
Operating loss	**(97.8)**	(36.8)	165.8%
Finance income	**15.7**	24.1	(34.9%)
Finance costs	**(2.6)**	(0.4)	550.0%
Finance income, net	**13.1**	23.7	(44.7%)
Share of results of investments accounted for using the equity method	**4.9**	3.0	63.3%
Loss before income tax	**(79.8)**	(10.1)	690.1%
Income tax credit/(expense)	**11.3**	(1.6)	(806.3%)
Loss for the period	**(68.5)**	(11.7)	485.5%
Non-IFRS measure:			
Adjusted net loss[1]	**(64.1)**	(7.7)	732.5%

Note:

(1) We define adjusted net loss as loss for the period adjusted by the add back of share-based compensation expenses. We eliminate the impact of the item that our management does not consider to be indicative of our operating performance considering it is non-cash in nature.

Management Discussion and Analysis

BUSINESS REVIEW

Our mission is to be a top-class gaming company in the world, serving global game players by continuously creating industry-leading games of various genres with excellent online entertainment experience.

We are a pioneer in China's mobile game industry focusing on developing high-quality mobile female-oriented games, MMORPGs, strategy card games, idle RPGs, SLGs and other genres, and our strength in research and development has been proven over and over again. We continue to provide superior game content to players and have won excellent market reputation.

OUR EXISTING GAMES

As at the date of this interim report, we had launched 24 high-quality mobile games with multiple regional versions in 14 languages available in the vast majority of countries and regions globally, among which (i) the global cumulative gross billings generated by 2 mobile games had exceeded RMB4 billion; (ii) the global cumulative gross billings generated by 1 mobile game had been between RMB3 billion and RMB4 billion; (iii) the global cumulative gross billings generated by 5 mobile games had been between RMB1 billion and RMB3 billion; and (iv) the gross billings generated by 9 mobile games had exceeded RMB100 million in the first month after they were launched in Chinese mainland.

Since its launch in Chinese mainland in March 2023, Life Makeover (以閃亮之名) has maintained robust vitality, ranking among top 30 of the Bestsellers Games Chart for iOS over a hundred times and ranking among top 10 of the Bestsellers Games Chart for iOS for 15 times. The paying user base during the month of its third anniversary celebration (i.e., March 2026) achieved growth compared to the same period in 2025, hitting its highest level since May 2024, and the average DAU (Daily Active Users) in the first half of this year surpassed the average DAU of previous years. This ultra-free fashionable female-oriented mobile game, sincerely presented by the VVANNA Business Unit, continuously enriches its gameplay system and expands diverse integrated life simulation content, constantly delivering freshness to players. The game attaches great importance to player experience, actively absorbs and implements players' ideas and demands, and continues to gain player recognition and trust. At the same time, it guides players to produce original content and disseminate it on social platforms, leverages the UGC (User Generated Content) ecosystem and KOC (Key Opinion Consumer) influence to activate community vitality, creates a rich and authentic player atmosphere, and achieves a high-quality immersive experience both in and out of the game. From Sichuan embroidery (蜀繡) to Tibetan-Qiang embroidery (藏羌織繡), from Miao silver jewelry (苗族銀飾) to Nuo mask carving (儺面具雕刻), Life Makeover (以閃亮之名) has been committed to presenting the beauty of traditional intangible cultural heritage on digital fashion. In 2026, the game, on behalf of all its partners, bid at auction for the "Qing Dynasty Dark Blue Zhuanghua satin with phoenixes encircling peonies weaved with gold threads (清•深藍色團鳳穿牡丹紋織金妝花緞匹料)" and proceeded with the donation arrangements, helping cultural relic that has been scattered overseas to return to its homeland. The game also joined hands with the Henan Provincial Charity Federation to rebuild a road in Xinzhuang Village, Yeyi Town, Pingdingshan City, Henan Province, which had been muddy all year round. The game continues to engage in diverse cross-industry collaborations. In 2026, it launched collaborations with Subway Surfers (地鐵跑酷), Pleasant Goat and Big Big Wolf (喜羊羊與灰太狼), etc., achieving excellent performance. In addition, the game also carried out IP licensing cooperation with brands such as Mingren Soda Water and Cuishengsheng, which reflects the successful commercialization of the game's IP. In the future, the game will continue to provide players with long-lasting and high-quality companionship through mature and efficient production pipelines and continuous breakthrough version iterations and quality innovations.

Management Discussion and Analysis

Dragon Raja: Cassell Gate (龍族: 卡塞爾之門) is a strategy card game adapted and developed based on the Dragon Raja (龍族) series of novels and animations and powered by Unreal Engine 4. The game has maintained stable long-term operations through continuous content updates and themed events: following the launch of the UR (Ultra Rare) twin partners "Lu Mingfei (路明非) & Lu Mingze (路鳴澤)" in February 2026, which achieved the highest gross billings record of gacha (卡池) in the game's history, the UR partner "Selenarch Erii" (汐月神樞繪梨衣) was introduced during the summer season (July 2026), receiving enthusiastic responses from players; various themed events such as the World Cup "Football Carnival" (綠茵狂歡) and "Boundless Music Festival" (無界音樂節) further enriched the gaming experience. In terms of collaborations, the promotion video for the collaboration with the comic FEI REN ZAI (非人哉) quickly climbed the Bilibili Trending List after its first unveiling, garnering wide popularity from players; the game also engaged in extensive cross-industry partnerships with snack brands such as naco naco and Hsu Fu Chi (徐福記). Building on stable long-term operations, we continue to deliver new breakthroughs: on the first day of the launch of the "The Moon Shines Bright" (白月長明處) version (i.e., 18 July 2026), both single-day gross billings and single-day paying user numbers reached new highs after the first day of the anniversary celebration in 2025 (i.e., 12 September 2025), while DAU and single-day new user acquisition also reached new highs after the National Day holiday in 2024. In the first half of 2026, the game was launched separately in Japan, South Korea, Europe and North America. Following its launch, it topped Japan's iOS Free Games Chart for three consecutive days, with outstanding performance in key metrics. As of the date of this interim report, the cumulative global gross billings of Dragon Raja: Cassell Gate (龍族: 卡塞爾之門) have exceeded RMB1 billion.

Two MMORPG masterpieces of the Company, Fantasy Zhuxian (夢幻誅仙) and Dragon Raja (龍族幻想), launched in 2016 and 2019 respectively, have maintained robust long-term operational performance. Classic games such as Sango Heroes: Under the Firmament (鴻圖之下), Love & Sword (御劍情緣), The Hegemony (三國群英傳: 鴻鵠霸業), Loong Craft (六龍爭霸) and World of Kings (萬王之王 3D) have performed relatively steadily and continue to contribute revenue to the Group. Our R&D team updates and iterates the games with exceptional efficiency in terms of headcount, and will continue to make efforts to promote the long-term stability of the gaming experience and gross billings.

Management Discussion and Analysis

OUR GAME PIPELINE

To build up a diversified game portfolio across a wide range of genres, 5 game products are expected to be launched globally over the period from the second half of 2026 to 2028, covering different genres of games.

As of the date of this interim report, the table below sets out certain information regarding our new games which are expected to be launched for the periods indicated, including title, genre, IP source, development stage, expected launch year and major markets.

Title[(1)]	Genre[(1)]	IP source[(1)]	Development stage as at the date of this interim report[(1)]	Expected launch year[(1)]	Major markets[(1)(2)]
2026					
LOM mobile[(3)] (詭秘之主: 愚者)	Strategy Card Game	Licensed IP	Game Production	2026	Worldwide
2027					
Project: Silent Whispers[(4)] (代號: 神不言)	Female-oriented Game	Original IP	Game Production	2027	Worldwide
Project J	Casual Game	Original IP	Game Production	2027	Worldwide
2028					
Project Code: One	Action Shooting Game	Original IP	Game Production	2028	Worldwide
Project L	Idle RPG	Licensed IP	Game Proposal	2028	Worldwide

Notes:

(1) The game pipeline is for indicative purpose only as at the date of this interim report. The title, genre, IP source, development stage, expected launch year, major markets and other information of each game in the pipeline may be subject to further changes according to their respective development and pre-approval status.

(2) The major markets refer to target publishing markets. The games will be launched successively in different regions according to their respective publishing plans.

(3) LOM mobile (詭秘之主: 愚者) is former Project G.

(4) Project: Silent Whispers (代號: 神不言) is former Project K.

Management Discussion and Analysis

The introduction of several new games in our game pipeline is provided as follows:

LOM mobile (詭秘之主: 愚者) is a strategy card game adapted and developed from the novel and animated series of Lord of Mysteries (詭秘之主). Lord of Mysteries (詭秘之主) is set in a Western fantasy setting, with a large number of global audiences and immense appeal. The Company will combine the IP's unique worldview and distinctive character traits to present players with highly charismatic card designs and rich derivative content, while maintaining a high degree of fidelity to the IP. The game first unveiled its promotion video in June 2026, which achieved a highest ranking of no. 3 on the Bilibili game section charts, and subsequently topped both the TapTap and Bilibili game Pre-registration List. As of the date of this interim report, pre-registrations in Chinese mainland have exceeded 1 million.

Project: Silent Whispers (代號: 神不言) is a female-oriented game powered by Unreal Engine 5, dedicated to delivering a fantasy gaming experience through advanced 3D visual technology. The game team was invited to attend and share their technical insights at the Unreal Fest Chicago 2026: leveraging the full Unreal Engine 5 technology stack, they meticulously craft characters using MetaHuman and Substrate materials to restore realistic human textures such as pores, dynamic blood vessels and sweat beads; employing MegaLights and cinematic lighting techniques including side lighting and bottom lighting to shape character personas and enhance narrative atmosphere; and balancing visual quality on PC with performance on mobile devices through resource management, tiered rendering and dynamic effect adaptation, ensuring that cinematic-grade visuals are presented stably and smoothly across different devices with refined cross-platform adaptation. The game was first unveiled in April 2026. Its promotion video and in-engine tech demo garnered over 10 million views on the second day and exceeded 22 million views within five days globally after release. As of the date of this interim report, it has surpassed 6 million global pre-registrations, attracting significant attention and high expectations from players.

Project J is an in-development casual game, with testing and launch plans scheduled for 2027.

During the Reporting Period, we recorded revenue of RMB608.6 million, representing a slight decrease of 4.1% as compared with RMB634.3 million for the same period in 2025, which was primarily attributable to (i) the broadly steady performance of Life Makeover (以閃亮之名) and Dragon Raja: Cassell Gate (龍族：卡塞爾之門) during the Reporting Period, though the further extension of the Player Relationship Period compared with the end of last year, resulted in a larger portion of revenue being deferred for recognition in future periods, (ii) the underperformance of Immortal Skywalker (踏風行), launched in the first half of 2025, against expectations during the Reporting Period, and (iii) the above decrease was partially offset by revenue generated from the launch of Dragon Raja: Cassell Gate (龍族：卡塞爾之門) in multiple regions outside Chinese mainland in the second quarter of 2026. In the future, with the expansion of our product genres from female-oriented games, MMORPGs, strategy card games, SLGs to idle RPGs, casual games and other more diversified games with a variety of styles, and with the continuous improvement of our organic model of "integrating R&D and operation", the lifecycle of our games is expected to be further extended, which will make a more stable and sustainable contribution to the Group's revenue.

Management Discussion and Analysis

FINANCIAL REVIEW

REVENUE

The following table sets forth the breakdown of our revenue by business segment for the periods indicated:

	For the six months ended 30 June			
	2026		2025	
	RMB million (Unaudited)	% of total revenue	RMB million (Unaudited)	% of total revenue
Development and licensing	43.9	7.2%	55.1	8.7%
– Revenue share	41.0	6.7%	51.6	8.1%
– Non-refundable fixed licensing fees	2.9	0.5%	3.5	0.6%
Integrated game publishing and operation	563.3	92.6%	579.0	91.3%
Others	1.4	0.2%	0.2	0.0%
Total	608.6	100.0%	634.3	100.0%

For the six months ended 30 June 2026, our revenue from development and licensing was RMB43.9 million, representing a decrease of 20.3% from RMB55.1 million for the corresponding period in 2025, and our revenue from integrated game publishing and operation was RMB563.3 million, representing a decrease of 2.7% from RMB579.0 million for the corresponding period in 2025.

The following table sets forth the breakdown of our revenue by geographical segment for the periods indicated:

	For the six months ended 30 June			
	2026		2025	
	RMB million (Unaudited)	% of total revenue	RMB million (Unaudited)	% of total revenue
Chinese mainland	466.5	76.7%	511.7	80.7%
Areas outside Chinese mainland	142.1	23.3%	122.6	19.3%
Total	608.6	100.0%	634.3	100.0%

For the six months ended 30 June 2026, our revenue generated from market in Chinese mainland was RMB466.5 million, representing a decrease of 8.8%, from RMB511.7 million for the corresponding period in 2025, and our revenue generated from areas outside Chinese mainland was RMB142.1 million, representing an increase of 15.9%, from RMB122.6 million for the corresponding period in 2025.

The slight decrease in total revenue was mainly attributable to: (i) the broadly steady performance of Life Makeover (以閃亮之名) and Dragon Raja: Cassell Gate (龍族：卡塞爾之門) during the Reporting Period, though the further extension of the Player Relationship Period compared with the end of last year, resulted in a larger portion of revenue being deferred for recognition in future periods, (ii) the underperformance of Immortal Skywalker (踏風行), launched in the first half of 2025, against expectations during the Reporting Period, and (iii) the above decrease was partially offset by revenue generated from the launch of Dragon Raja: Cassell Gate (龍族：卡塞爾之門) in multiple areas outside Chinese mainland in the second quarter of 2026.

Management Discussion and Analysis

COST OF REVENUE

The following table sets out a breakdown of our cost of revenue by nature in absolute amounts and as percentages of our cost of revenue for the periods indicated:

	For the six months ended 30 June			
	2026		2025	
	RMB million (Unaudited)	% of cost of revenue	RMB million (Unaudited)	% of cost of revenue
Commissions charged by distribution channels and payment channels	129.6	73.8%	135.2	74.5%
Commissions charged by IP holders	18.0	10.3%	19.9	11.0%
Bandwidth and servers custody fee	11.4	6.5%	13.3	7.3%
Employee benefit expenses	6.4	3.6%	6.4	3.5%
Depreciation and amortization charges	4.0	2.3%	3.7	2.0%
Others	6.1	3.5%	3.0	1.7%
Total	175.5	100.0%	181.5	100.0%

Our cost of revenue primarily consisted of (i) commissions charged by distribution channels and payment channels; (ii) commissions charged by IP holders; and (iii) bandwidth and servers custody fee. Our cost of revenue slightly decreased to RMB175.5 million for the six months ended 30 June 2026 as compared with RMB181.5 million for the corresponding period in 2025. The decrease trend was in line with the decrease in the revenue of the integrated game publishing and operation business.

GROSS PROFIT AND GROSS PROFIT MARGIN

For the six months ended 30 June 2026, the gross profit of the Group decreased by 4.4% to RMB433.1 million as compared with RMB452.8 million for the corresponding period in 2025, which was primarily attributable to the decline in revenue, which mainly resulted from: (i) the broadly steady performance of Life Makeover (以閃亮之名) and Dragon Raja: Cassell Gate (龍族：卡塞爾之門) during the Reporting Period, though the further extension of the Player Relationship Period compared with the end of last year, resulted in a larger portion of revenue being deferred for recognition in future periods, (ii) the underperformance of Immortal Skywalker (踏風行), launched in the first half of 2025, against expectations during the Reporting Period, and (iii) the above decrease was partially offset by revenue generated from the launch of Dragon Raja: Cassell Gate (龍族：卡塞爾之門) in multiple areas outside Chinese mainland in the second quarter of 2026. The gross profit margin of the Group decreased to 71.2% for the six months ended 30 June 2026 from 71.4% for the corresponding period in 2025, remaining largely consistent with the comparable period.

RESEARCH AND DEVELOPMENT EXPENSES

Our research and development expenses primarily consisted of (i) employee benefit expenses; (ii) outsourced technical services; and (iii) depreciation and amortization charges. For the six months ended 30 June 2026, our research and development expenses slightly decreased by 1.5% to RMB261.6 million as compared with RMB265.5 million for the corresponding period in 2025, remaining relatively stable during the comparable period, benefiting from optimized research and development resource allocation and efficiency gains, which enabled the Company to both sustain high-quality, frequent updates for games in operation and ramp up investment in new in-development games Project: Silent Whispers (代號：神不言) and LOM mobile (詭秘之主：愚者).

Management Discussion and Analysis

SELLING AND MARKETING EXPENSES

Our selling and marketing expenses primarily consisted of (i) promotion and advertising expenses; and (ii) employee benefit expenses. For the six months ended 30 June 2026, our selling and marketing expenses increased by 29.7% to RMB288.3 million as compared with RMB222.3 million for the corresponding period in 2025, mainly attributable to: (i) the launch of Dragon Raja: Cassell Gate (龍族：卡塞爾之門) in multiple areas outside Chinese mainland in the second quarter of 2026; and (ii) exposure-building promotional activities for the new in-development games Project: Silent Whispers (代號：神不言) and LOM mobile (詭秘之主：愚者) during the Reporting Period.

ADMINISTRATIVE EXPENSES

Our administrative expenses primarily consisted of employee benefit expenses. For the six months ended 30 June 2026, our administrative expenses slightly increased by 3.1% to RMB46.2 million as compared with RMB44.8 million for the corresponding period in 2025, remaining relatively stable during the comparable period.

OTHER INCOME

Our other income primarily consisted of (i) interest income on other financial assets at amortized cost; and (ii) government grants. For the six months ended 30 June 2026, our other income was RMB4.0 million as compared with RMB4.0 million for the corresponding period in 2025, remaining stable during the comparable period.

OTHER GAINS, NET

Our net other gains primarily consisted of (i) net foreign exchange gains; and (ii) gains on financial assets at fair value through profit or loss. For the six months ended 30 June 2026, our net other gains increased by 43.5% to RMB56.4 million as compared with RMB39.3 million for the corresponding period in 2025, mainly attributable to the increase in both net foreign exchange gains and gains on financial assets at fair value through profit or loss generated during the Reporting Period.

FINANCE INCOME, NET

Finance income represented interest income from bank deposits, including bank balance and term deposits. Finance costs primarily consisted of interest expenses accrued from our lease liabilities. For the six months ended 30 June 2026, our net finance income decreased by 44.7% to RMB13.1 million as compared with RMB23.7 million for the corresponding period in 2025, mainly attributable to the decrease in the interest income from term deposits.

INCOME TAX CREDIT/(EXPENSE)

Our income tax credit/(expense) consisted of deferred income tax credit and current income tax expense, and we incurred total income tax credit of RMB11.3 million for the six months ended 30 June 2026, compared with income tax expense of RMB1.6 million for the corresponding period in 2025, mainly attributable to the increase in deferred income tax assets related to deductible temporary differences during the Reporting Period.

Management Discussion and Analysis

ADJUSTED NET LOSS

The adjusted net loss for the six months ended 30 June 2026 amounted to RMB64.1 million as compared with adjusted net loss of RMB7.7 million for the corresponding period in 2025. Such increase in loss was primarily attributable to (i) the significant ramp-up of investment in new in-development games Project: Silent Whispers (代號：神不言) and LOM mobile (詭秘之主：愚者) during the Reporting Period, and (ii) the increase in promotion and advertising expenses for the launch of Dragon Raja: Cassell Gate (龍族： 卡塞爾之門) in multiple areas outside Chinese mainland in the second quarter of 2026.

The Company believes that adjusted net loss for the six months ended 30 June 2026, as compared with loss for the six months ended 30 June 2026 as reported under the IFRS, can better reflect the underlying operating performance of the Group as well as facilitate period to period comparison. The use of these non-IFRS measures has limitations as an analytical tool, and one should not consider them in isolation from, or as a substitute for analysis of, our results of operations or financial conditions as reported under IFRS. In addition, these non-IFRS financial measures may be defined differently from similar terms used by other companies.

The following table sets forth the reconciliations of the Group's non-IFRS financial measures for the six months ended 30 June 2026 and 2025 to the nearest measures prepared in accordance with IFRS:

	For the six months ended 30 June	
	2026	2025
	RMB million	RMB million
	(Unaudited)	(Unaudited)
Reconciliation of loss for the period to adjusted net loss for the period:		
Loss for the period	**(68.5)**	(11.7)
Add back:		
Share-based compensation expenses	**4.4**	4.0
Adjusted net loss for the period	**(64.1)**	(7.7)

LIQUIDITY AND FINANCIAL RESOURCES

We have historically funded our cash requirements principally from cash generated from operations, and to a lesser extent, equity financing. We adopt a prudent treasury management policy to ensure that our Group maintains a healthy financial position. Taking into account the financial resources available to the Group, including cash and cash equivalents on hand, cash generated from operations and available facilities of the Group, and the net proceeds from the issuance of ordinary shares relating to the initial public offering, and after diligent and careful investigation, the Directors are of the view that the Group has sufficient working capital required for the Group's operations at present.

Management Discussion and Analysis

The following table sets out our cash flows for the periods indicated:

	For the six months ended 30 June 2026 RMB million (Unaudited)	2025 RMB million (Unaudited)	Change %
Net cash used in operating activities	**(142.6)**	(36.1)	295.0%
Net cash from/(used in) investing activities	**118.9**	(117.7)	(201.0%)
Net cash used in financing activities	**(16.0)**	(16.2)	(1.2%)
Net decrease in cash and cash equivalents	**(39.7)**	(170.0)	(76.6%)
Cash and cash equivalents at the beginning of the period	**281.1**	433.7	(35.2%)
Exchange losses on cash and cash equivalents	**(5.4)**	(2.0)	170.0%
Cash and cash equivalents at the end of the period	**236.0**	261.7	(9.8%)

Operating Activities

For the six months ended 30 June 2026, net cash used in operating activities was RMB142.6 million, compared with RMB36.1 million for the corresponding period in 2025, representing an increase of 295.0%. The increase was mainly attributable to (i) the increase in cash outflows for investment in new in-development games Project: Silent Whispers (代號：神不言) and LOM mobile (詭秘之主：愚者) during the Reporting Period; and (ii) the increase in cash outflows for promotion and advertising expenses arising from the launch of Dragon Raja: Cassell Gate (龍族：卡塞爾之門) in multiple areas outside Chinese mainland during the second quarter of 2026.

Investing Activities

For the six months ended 30 June 2026, net cash generated from investing activities was RMB118.9 million, compared with RMB117.7 million used in investing activities for the corresponding period in 2025, mainly attributable to the proceeds from maturity of term deposit during the Reporting Period.

Financing Activities

For the six months ended 30 June 2026, net cash used in financing activities was RMB16.0 million, compared with RMB16.2 million for the corresponding period in 2025, remaining relatively stable during the comparable period.

Management Discussion and Analysis

GEARING RATIO

As at 30 June 2026, our gearing ratio, which is calculated as total liabilities divided by total assets, was 25.6%, as compared with 24.6% as at 31 December 2025.

CAPITAL EXPENDITURE

Our capital expenditure comprised expenditures on purchase of intangible assets and purchase of property, plant and equipment. For the six months ended 30 June 2026 and 2025, total capital expenditure amounted to RMB23.8 million and RMB4.4 million respectively, representing an increase of 440.9%. The increase was mainly attributable to the increase in payment for intangible assets purchases.

SIGNIFICANT INVESTMENTS HELD/FUTURE PLANS FOR SIGNIFICANT INVESTMENTS OR CAPITAL ASSETS

Subscription of Wealth Management Products through Morgan Stanley Bank Asia Limited

Archosaur Entertainment Limited ("**Archosaur Entertainment**"), a wholly-owned subsidiary of the Company, subscribed for the wealth management products through Morgan Stanley Bank Asia Limited ("**Morgan Stanley Asia**") (the "**Subscriptions through Morgan Stanley Asia**"), of which, (i) on 3 July 2024, subscribed for bonds (US TREASURY NOTE) in a principal amount of US$10.1 million; and (ii) on 23 January 2026, subscribed for 5yNC1y USD denominated Callable Range Accrual Notes in a principal amount of US$5.7 million and Callable Zero Coupon Notes in a principal amount of US$5.0 million, and the total investment amount of these two notes amounted to US$10.7 million in aggregate. As at 30 June 2026, none of such wealth management products had expired.

As at 30 June 2026, the Group held the following significant investments through Morgan Stanley Asia which represent 5% or more of the total assets of the Group as at 30 June 2026 and are measured at amortized cost or fair value:

Name of investment	Trading date	Nature of product	Cost[1] (RMB million)	Carrying amount as at 30 June 2026 (RMB million)	Expected annualized yield %	Issuer's optional early redemption right %	Dividends received	Gains incurred for the six months ended 30 June 2026 (RMB million)	Percentage to the Group's total assets as at 30 June 2026 %
Relevant Financial Products of Morgan Stanley Asia and measured at amortized cost[2]:									
US TREASURY NOTE	3 July 2024	US Treasury Note	68.4	68.8	4.43%	N/A	N/A	1.5	2.8%
Callable Zero Coupon Notes	23 January 2026	Callable Zero Coupon Notes	34.1	34.7	4.18%[3]	1st year: 107.00%, 2nd year: 112.77%, 3rd year: 117.31%, 4th year: 120.62%, 5th year: 122.70%	N/A	0.6	1.4%
Total			**102.5**	**103.5**				**2.1**	**4.2%**

Management Discussion and Analysis

Notes:

(1) Such costs of the investments are translated into RMB at the exchange rate as at 30 June 2026.

(2) These investments are held for collection of contractual cash flows and the contractual cash flows of these investments qualify for solely payments of principal and interest, hence they are measured at amortized costs.

(3) The indicative yield-to-maturity of the notes is calculated based on the assumption that the notes are held to the maturity date and that the issuer does not exercise its early redemption rights.

Name of investment	Trading date	Principal amount[(1)] (RMB million)	Fair value as at 30 June 2026 (RMB million)	Dividends received	Gains incurred for the six months ended 30 June 2026 (RMB million)	Percentage to the Group's total assets as at 30 June 2026 %
Relevant Financial Products of Morgan Stanley Asia and measured at fair value:						
5yNC1y USD denominated Callable Range Accrual Notes	23 January 2026	38.8	37.6	N/A	(0.5)	1.5%
Total		**38.8**	**37.6**		**(0.5)**	**1.5%**

Note:

(1) Such principal amount of the investment is translated into RMB at the exchange rate as at 30 June 2026.

Description of Financial Products of Morgan Stanley Asia

The Group subscribed for financial products of Morgan Stanley Asia, including US TREASURY NOTE in 2024, Callable Zero Coupon Notes and 5yNC1y USD denominated Callable Range Accrual Notes in 2026. Among them, the carrying amount of US TREASURY NOTE measured at amortized cost was approximately RMB68.8 million as at 30 June 2026, with an expected annualized yield of 4.43%. The carrying amount of Callable Zero Coupon Notes measured at amortized cost was approximately RMB34.7 million as at 30 June 2026, and the indicative yield-to-maturity is 4.18%, assuming the notes are held to maturity and not redeemed early. The issuer has the right to redeem the notes in full but not in part on any optional early redemption date at the corresponding optional early redemption amount. The optional early redemption amount as a percentage of principal amount are 107.00% in the first year, 112.77% in the second year, 117.31% in the third year, 120.62% in the fourth year and the final redemption amount as a percentage of principal amount is 122.70% in the fifth year. The fair value of 5yNC1y USD denominated Callable Range Accrual Notes was approximately RMB37.6 million as at 30 June 2026. The sources of funds for the investments in the relevant financial products of Morgan Stanley Asia are the Group's own funds.

For further details, please refer to the announcement of the Company dated 23 January 2026.

Management Discussion and Analysis

Subscription of Wealth Management Products through UBS AG, Singapore Branch

Archosaur Entertainment, a wholly-owned subsidiary of the Company, subscribed for the wealth management products through UBS AG, Singapore Branch ("**UBS Singapore**"), of which, (i) on 2 July 2024, Archosaur Entertainment subscribed for 24-Month USD Equity Linked Twinwin Capital Return Notes in a principal amount of US$6.6 million; and (ii) on 12 September 2025, Archosaur Entertainment subscribed for Bond Linked Notes in a principal amount of US$12.6 million and 3yNC1y USD denominated Callable Range Accrual Notes in a principal amount of US$5.0 million (the "**Subscriptions through UBS Singapore**", together with the "**Subscriptions through Morgan Stanley Asia**", the "**Subscriptions**"). As at 30 June 2026, none of such wealth management products had expired.

As at 30 June 2026, the Group held the following significant investments through UBS Singapore which represent 5% or more of the total assets of the Group as at 30 June 2026 and are measured at fair value:

Name of investment	Trading date	Principal amount[1] (RMB million)	Fair value as at 30 June 2026 (RMB million)	Dividends received	Gains incurred for the six months ended 30 June 2026 (RMB million)	Percentage to the Group's total assets as at 30 June 2026 %
Relevant Financial Products of UBS Singapore						
24-Month USD Equity Linked Twinwin Capital Return Notes	2 July 2024	45.0	48.4	N/A	0.9	2.0%
Bond Linked Notes	12 September 2025	85.8	85.1	N/A	1.8	3.4%
3yNC1y USD denominated Callable Range Accrual Notes	12 September 2025	34.1	32.5	N/A	(0.2)	1.3%
Total		**164.9**	**166.0**		**2.5**	**6.7%**

Note:

(1) Such principal amounts of the investments are translated into RMB at the exchange rate as at 30 June 2026.

Management Discussion and Analysis

Description of Financial Products of UBS Singapore

The Group subscribed for financial products of UBS Singapore, including 24-Month USD Equity Linked Twinwin Capital Return Notes in 2024 and Bond Linked Notes and 3yNC1y USD denominated Callable Range Accrual Notes in 2025. Among them, the fair values of 24-Month USD Equity Linked Twinwin Capital Return Notes, Bond Linked Notes and 3yNC1y USD denominated Callable Range Accrual Notes were RMB48.4 million, RMB85.1 million and RMB32.5 million as at 30 June 2026, respectively. The sources of funds for the investments in the relevant financial products of UBS Singapore are the Group's own funds.

For further details, please refer to the announcement of the Company dated 12 September 2025.

Significant Investment Strategy

The Board believes that reasonable and effective utilization of temporary idle funds will enhance the capital gain of the Company, which accords with the core objectives of the Company to ensure capital safety and liquidity and meets the working capital requirements of the Group's daily operations. Having considered the level of risk involved in the Subscriptions and compared different price quotes, the Company is of the view that the Subscriptions will deliver relatively stable returns. The Subscriptions have been made on the premise that the Group has the working capital requirements for the daily operations. The Group has fully assessed and measured the risks and returns of the Subscriptions as well as the future capital requirements, which will not affect the normal operation of the daily working capital and the development of our principal business operations.

Save as disclosed in this interim report, as at 30 June 2026, there were no significant investments held by the Group or future plans for significant investments or capital assets, and none of each individual investment held by the Group constituted 5% or above of the total assets of the Group as at 30 June 2026.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

For the six months ended 30 June 2026, there were no material acquisitions or disposals of subsidiaries, associates and joint ventures.

CHARGE ON ASSETS

As at 30 June 2026, no property, plant and equipment was pledged.

CONTINGENT LIABILITIES

As at 30 June 2026, we did not have any unrecorded significant contingent liabilities.

Management Discussion and Analysis

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2026, we employed approximately 1,143 full-time staff in total, approximately 75.50% of whom are research and development personnel. Substantially all of our employees are based in PRC, primarily at our headquarters in Beijing, with the remainder in Chengdu, Changchun, Shanghai and Hainan. For the six months ended 30 June 2026, cost of employees' remuneration and benefit was approximately RMB280.5 million as compared with RMB276.4 million for the six months ended 30 June 2025.

We are committed to establishing a competitive and fair remuneration and benefits environment for our employees. To effectively motivate our business development team through remuneration incentives and ensure that our employees receive competitive remuneration packages, we continually refine our remuneration and incentive policies through market research and comparisons with our competitors. We conduct monthly performance evaluations to provide employee performance feedback, and conduct quarterly selections to affirm and encourage outstanding employees. Remuneration for our employees typically consists of a base salary and performance-based and year-end bonuses. To incentivize our Directors, senior management and employees of the Group for their contribution to our Group, the Company adopted the Pre-IPO RSU Scheme, the 2022 RSU Scheme (which was terminated by the Shareholders on 19 August 2026), the Share Option Scheme and the 2026 RSU Scheme. For details, please refer to the paragraphs headed "RSU Schemes" and "Share Option Scheme" under the section headed "OTHER INFORMATION" in this interim report and the circular of the Company dated 4 August 2026.

As required by PRC laws and regulations, we participate in various employee social security plans for our employees that are administered by local governments, including housing provident fund, pension insurance, medical insurance, maternity insurance, work-related injury insurance and unemployment insurance.

We provide regular and specialized training tailored to the needs of our employees in different departments. We regularly organize training sessions conducted by senior employees or external consultants, covering various aspects of our business operations, including overall management, project execution and technical know-how. We constantly review the content of training and follow up with employees to evaluate the effect of such training. Through the training, we help our employees to stay up to date with both industry development, skills and technologies. We also organize workshops, from time to time, to discuss specific topics.

FOREIGN CURRENCY EXCHANGE RISKS

For the six months ended 30 June 2026, most of transactions of the Group and our cash and cash equivalents were denominated in RMB, US$ and HK$. The management team closely monitors foreign currency exchange risks to ensure that appropriate measures are implemented in a timely and effective manner. For the six months ended 30 June 2026, the Group has not incurred any significant foreign currency exchange losses in its operations. The management will continue to monitor the Group's foreign exchange risk exposure and consider adopting prudent measures as appropriate.

Management Discussion and Analysis

USE OF NET PROCEEDS FROM GLOBAL OFFERING

The Shares have been listed on the Stock Exchange since 15 July 2020. The net proceeds raised from the Global Offering (after taking account of the exercise of over-allotment option), after deduction of the underwriting fees and commissions and other expenses payable by the Company in connection with the Global Offering, were approximately HK$2,358.5 million.

The below table sets forth the proposed and actual applications of the net proceeds from the Listing Date to 30 June 2026:

Use of net proceeds	Percentage	Net proceeds from the Global Offering (HK$ million)	Amount utilized during the Reporting Period (HK$ million)	As at 30 June 2026 Utilized amount (HK$ million)	As at 30 June 2026 Unutilized amount (HK$ million)	Expected timeline for utilizing the remaining net proceeds[1]
Enhancing the development capabilities and technology and expanding our game portfolio	40%	943.5	–	943.5	–	–
Expanding game publishing and operation business, particularly in markets outside Chinese mainland	20%	471.7	–	471.7	–	–
Funding strategic acquisition of and investment in upstream and downstream businesses along the industry value chain and investment in investment funds focusing on pan-entertainment or technology, media, and telecom	20%	471.7	25.1	250.7	221.0	2026.01-2026.12
Expanding the IP reserve and enriching our content offerings	10%	235.8	–	235.8	–	–
Working capital and general corporate uses	10%	235.8	–	235.8	–	–
Total	**100%**	**2,358.5**	**25.1**	**2,137.5**	**221.0**	

Note:

(1) The expected timeline for utilizing the remaining proceeds is based on the best estimation of the future market conditions made by the Group. It will be subject to changes based on the current and future development of the market conditions.

Management Discussion and Analysis

Since the Listing Date and up to 30 June 2026, approximately HK$2,137.5 million out of net proceeds from the Global Offering had been used.

As disclosed in the 2025 annual report of the Company, the expected timeline of utilizing the remaining net proceeds in respect of funding strategic acquisition of and investment in upstream and downstream businesses along the industry value chain and investment in investment funds focusing on pan-entertainment or technology, media and telecom was extended to December 2026, and the delay in the use of such net proceeds was mainly attributable to additional time required for and more cautious approach taken by the Group to look for suitable acquisition and investment targets due to the unstable and uncertain external factors.

Apart from the above-mentioned adjustments, as at the date of this interim report, there was no change in the intended use of net proceeds and the expected timeline as previously disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus and the paragraphs headed "Use of Net Proceeds from Global Offering" in the 2025 annual report of the Company.

To the extent that net proceeds are not immediately used for the intended use, the Company currently intends to place such proceeds in short-term interest bearing instruments, such as liquid fixed income securities, short-term bank deposits, short-term and low risk wealth management products or money market instruments with licensed commercial banks or other authorized financial institutions so long as it is deemed to be in the best interests of the Company.

EVENTS AFTER REPORTING PERIOD

As the awards available for future grants under the 2022 RSU Scheme were expected to be fully utilised in the near term based on the Company's forward-looking assessment, the Company is of the view that the adoption of the 2026 RSU Scheme to replace the 2022 RSU Scheme is a necessary and proactive measure to ensure the Company's ongoing ability to attract, retain and motivate talent, which is vital to the Company's long-term growth and competitiveness. The 2026 RSU Scheme was approved and adopted by the Shareholders on 19 August 2026 and the 2022 RSU Scheme was terminated (save with respect to any outstanding, issued and unvested RSUs thereof) with effect from the adoption of the 2026 RSU Scheme by the Shareholders on 19 August 2026. The provisions of the 2022 RSU Scheme shall remain in full force and effect in respect of the awards which have been granted (to the extent not already converted or in respect of which Shares are not yet issued to the participant) pursuant to the rules of the 2022 RSU Scheme prior to the termination of the operation of the 2022 RSU Scheme. Therefore, the termination of the 2022 RSU Scheme will not in any event affect the terms of the grant of any outstanding awards that have already been granted under the 2022 RSU Scheme, and any outstanding awards granted under the 2022 RSU Scheme shall continue to be subject to the provisions of the 2022 RSU Scheme. For details, please refer the circular of the Company dated 4 August 2026.

Save as disclosed in this interim report, the Group did not have any significant events after the Reporting Period.

Other Information

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As at 30 June 2026, the interests or short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name of Director or chief executive	Nature of interest	Number of Shares interested[1]	Approximate percentage of the Company's issued share capital[2]
Mr. Li Qing[3]	Interest in controlled corporation	285,255,802	35.51%
Mr. Bai Wei[4]	Interest in controlled corporation	15,447,304	1.92%

Notes:

(1) All interests stated are long positions.

(2) The calculation is based on the total number of 803,369,630 Shares in issue as 30 June 2026.

(3) 278,329,802 Shares were held through Cresc Chorus, a company owned as to 81.96% by LuckQ, which in turn is wholly-owned by Mr. Li Qing, and 6,926,000 Shares were held through Pondweed Holdings Limited, a company wholly-owned by Mr. Li Qing. Accordingly, Mr. Li Qing was deemed to be interested in such Shares held by Cresc Chorus and Pondweed Holdings Limited for the purpose of Part XV of the SFO.

(4) These Shares were held by Wade Data Services Limited ("**Wade Data**") which was wholly-owned by Mr. Bai Wei. Accordingly, Mr. Bai Wei was deemed to be interested in such Shares held by Wade Data for the purpose of Part XV of the SFO.

Save as disclosed above, as at 30 June 2026, none of the Directors or the chief executive of the Company had any interest or short position in the Shares, underlying Shares or debentures of the Company or its associated corporations that was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or required to be recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Other Information

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as our Directors are aware, as at 30 June 2026, the following persons have interests or short positions in Shares or underlying Shares of our Company which will be required to be disclosed to our Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO and recorded in the register required to be maintained by the Company under Section 336 of the SFO:

Name	Nature of interest	Number of Shares interested(1)	Approximate percentage of the Company's issued share capital(2)
Mr. Li Qing(3)	Interest in controlled corporation	285,255,802	35.51%
Cresc Chorus(3)	Beneficial owner	278,329,802	34.65%
LuckQ(3)	Interest in controlled corporation	278,329,802	34.65%
Perfect World Interactive(4)	Beneficial owner	132,593,999	16.50%
Perfect Game Speed Company Limited(4)	Interest in controlled corporation	132,593,999	16.50%
Perfect Freedom Company Limited(4)	Interest in controlled corporation	132,593,999	16.50%
Beijing Perfect World Software Technology Development Co., Ltd.(4)	Interest in controlled corporation	132,593,999	16.50%
Perfect World Games(4)	Interest in controlled corporation	132,593,999	16.50%
Perfect World(4)	Interest in controlled corporation	132,593,999	16.50%
Mr. Chi Yufeng (池宇峰)(4)	Interest in controlled corporation	132,593,999	16.50%
Image Frame(5)	Beneficial owner	105,077,999	13.08%
Tencent(5)	Interest in controlled corporation	137,698,399	17.14%

Notes:

(1) All interests stated are long positions.

(2) The percentages represented the number of Shares over the total issued share capital of the Company as at 30 June 2026 of 803,369,630 Shares.

(3) Based on the latest disclosure of interest form filed by each of Cresc Chorus, LuckQ and Mr. Li Qing, Cresc Chorus was owned as to 81.96% by LuckQ, which was in turn wholly-owned by Mr. Li Qing. Accordingly, each of LuckQ and Mr. Li Qing was deemed to be interested in all the Shares held by Cresc Chorus by virtue of the SFO.

(4) Based on the confirmation by Perfect World Holding Group as at 30 June 2026, Perfect World Interactive was wholly-owned by Perfect Game Speed Company Limited, which was in turn wholly-owned by Perfect Freedom Company Limited. Perfect Freedom Company Limited was wholly-owned by Beijing Perfect World Software Technology Development Co., Ltd., which was in turn wholly-owned by Perfect World Games. Perfect World Games was wholly-owned by Perfect World, which was in turn owned as to 30.65% by Mr. Chi Yufeng. Accordingly, each of Perfect Game Speed Company Limited, Perfect Freedom Company Limited, Beijing Perfect World Software Technology Development Co., Ltd., Perfect World Games, Perfect World and Mr. Chi Yufeng was deemed to be interested in all the Shares held by Perfect World Interactive by virtue of the SFO.

(5) Based on the latest disclosure of interest form filed by Tencent as at 30 June 2026, 105,077,999 Shares were held through Image Frame Investment (HK) Limited ("**Image Frame**"), a company wholly-owned by Tencent, and 32,620,400 Shares were held through Image Flag Investment (HK) Limited ("**Image Flag**"), a company wholly-owned by Tencent. Accordingly, Tencent was deemed to be interested in all the Shares held by Image Frame and Image Flag by virtue of the SFO.

Other Information

Save as disclosed above, as at 30 June 2026, the Directors were not aware of any person (who were not Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be recorded in the register referred to therein.

RSU SCHEMES

As at 30 June 2026, the Company adopted the Pre-IPO RSU Scheme and the 2022 RSU Scheme on 1 April 2020 and 22 December 2022, respectively. Details of the Pre-IPO RSU Scheme are set out in the Prospectus and details of the 2022 RSU Scheme are set out in the circular of the Company dated 22 November 2022.

Pre-IPO RSU Scheme

Details of movements of the Pre-IPO RSUs granted under the Pre-IPO RSU Scheme during the six months ended 30 June 2026 are set out below:

Participants	Date of grant	Vesting period	Exercise price per Share (HK$)	Exercise price per Share of the cancelled Pre-IPO RSUs (HK$)	Number of outstanding Pre-IPO RSUs at 1 January 2026	Number of Pre-IPO RSUs granted during the Reporting Period	Number of Pre-IPO RSUs vested during the Reporting Period	Number of Pre-IPO RSUs exercised during the Reporting Period	Weighted average closing price immediately before the dates of vesting during the Reporting Period (HK$)	Number of Pre-IPO RSUs cancelled during the Reporting Period	Number of Pre-IPO RSUs lapsed during the Reporting Period	Number of outstanding Pre-IPO RSUs at 30 June 2026
Employees	1 April 2020-30 August 2022(1)	3 years(2)	-	/	-	-	-	489,510	-	-	-	-

Notes:

(1) The dates of grant are 1 April 2020, 24 June 2020, 1 February 2021, 29 March 2021, 25 August 2021, 25 March 2022 and 30 August 2022.

(2) The Pre-IPO RSUs are exercisable in installments from the commencement of the relevant vesting period until ten years after the grant date. For the Pre-IPO RSUs granted prior to the Listing Date, 40% of the Pre-IPO RSUs can be exercised 12 months after the Listing Date, 30% of the Pre-IPO RSUs can be exercised 24 months after the Listing Date and the remaining 30% of the Pre-IPO RSUs can be exercised 36 months after the Listing Date. Save as disclosed above and subject to the terms of the Pre-IPO RSU Scheme and conditions stated in the letter containing the offer, 40% of the Pre-IPO RSUs can be exercised 12 months after the grant date, 30% of the Pre-IPO RSUs will become exercisable 24 months after the grant date and the remaining 30% of the Pre-IPO RSUs will become exercisable 36 months after the grant date.

Other Information

2022 RSU Scheme

Details of movements of the RSUs granted under the 2022 RSU Scheme during the six months ended 30 June 2026 are set out below:

Participants	Date of grant	Vesting period	Conversion price per Share (HK$)	Conversion price per Share of the cancelled RSUs (HK$)	Number of outstanding RSUs at 1 January 2026	Number of RSUs granted during the Reporting Period	Number of RSUs vested during the Reporting Period	Number of RSUs converted during the Reporting Period	Weighted average closing price immediately before the dates of vesting during the Reporting Period (HK$)	Number of RSUs cancelled during the Reporting Period	Number of RSUs lapsed during the Reporting Period	Number of outstanding RSUs at 30 June 2026
Employees	6 April 2023–26 June 2026[1][2]	3 years[3]	-	/	3,051,000	11,200,000	2,181,000	655,045	1.46	-	230,000	11,840,000

Notes:

(1) The dates of grant are 6 April 2023, 29 August 2023, 29 August 2024, 4 November 2024, 25 March 2025, 13 June 2025, 26 August 2025, 16 February 2026 and 26 June 2026.

(2) For details of fair value of the RSUs at the date of grant and the accounting standard and policies adopted, please refer to Note 23 (b) to the consolidated financial statements on page 66 to 67 of this interim report.

The fair value in respect of the RSUs granted by the Company on 16 February 2026 and 26 June 2026 at the date of grant was HK$1.51 and HK$1.87, respectively.

(3) The RSUs are exercisable in installments from the commencement of the relevant vesting period until ten years after the grant date. Vesting in tranches within 3 years from the date of grant; each 12-month period is an evaluation period commencing from the date on which the RSUs are granted to the grantee, which is a total of three evaluation periods. The grantee will receive 40% of the RSUs granted to him/her upon the expiry of the first evaluation period; 30% of the RSUs granted to him/her upon the expiry of the second evaluation period; the remaining 30% of the RSUs granted to him/her upon the expiry of the third evaluation period.

(4) The closing prices of the Shares immediately before the dates of grant were as follows:

- HK$1.51 (date of grant: 16 February 2026); and
- HK$1.92 (date of grant: 26 June 2026).

The 2022 RSU Scheme was terminated by the Shareholders on 19 August 2026. For details, please refer the circular of the Company dated 4 August 2026.

SHARE OPTION SCHEME

The Company adopted and amended the Share Option Scheme at the general meetings on 5 February 2021 and 22 December 2022, respectively. Details of the Share Option Scheme are set out in the circular of the Company dated 22 November 2022.

Other Information

Details of the movement of Options granted under the Share Option Scheme during the six months ended 30 June 2026 are as below:

Participants	Date of grant	Vesting period	Exercise Price per Share (HK$)	Exercise price per Share of the cancelled Options (HK$)	Number of outstanding Options at 1 January 2026	Number of Options granted during the Reporting Period	Number of Options exercised during the Reporting Period	Weighted average closing price immediately before the dates of exercising during the Reporting Period	Number of Options cancelled during the Reporting Period	Number of Options lapsed during the Reporting Period	Number of outstanding Options at 30 June 2026
Employees	7 January 2022[1]	From 7 January 2022 to 14 April 2024[2]	8.72	/	3,403,383	-	-	-	-	281,000	3,122,383

Notes:

(1) For details of fair value of the Options at the date of grant and the accounting standard and policies adopted, please refer to Note 23 (a) to the consolidated financial statements on page 65 of this interim report.

(2) The Options are exercisable in installments from the commencement of the relevant vesting period until 7 January 2032. Subject to the terms of the Share Option Scheme and conditions stated in the letter containing the Offer, 40% of Options can be exercised after 14 April 2022, 30% of the Options can be exercisable after 14 April 2023 and the remaining 30% of the Options can be exercisable after 14 April 2024.

None of the grantees of Options, Pre-IPO RSUs and RSUs (i) is a Director, chief executive or substantial shareholder of the Company, or their respective associate; or (ii) is granted or to be granted in excess of the 1% individual limit.

The number of Options, Pre-IPO RSUs and RSUs available for grant under the scheme mandate was 53,706,078 as at 1 January 2026 and 43,017,078 as at 30 June 2026. The number of Shares that may be issued in respect of Options and RSUs granted under all schemes of the Company during the six months ended 30 June 2026 divided by the weighted average number of Shares in issue for the six months ended 30 June 2026 is 1.37%.

MOVEMENTS IN SHARE CAPITAL

Details of the movements in share capital of the Company during the Reporting Period are set out in Note 21 to the consolidated financial statements on page 63 to this interim report.

Other Information

REPURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2026, neither the Company nor its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined under the Listing Rules)).

As at 30 June 2026, 3,009,000 Shares in aggregate were repurchased by the Company for cancellation, and such Shares were canceled on 23 July 2026. As at 30 June 2026 and the date of this interim report, the Company did not hold any treasury shares (as defined under the Listing Rules).

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2026.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company's corporate governance practices are based on the principles and code provisions as set out in Part 2 of the Corporate Governance Code contained in Appendix C1 to the Listing Rules. During the six months ended 30 June 2026, the Company has complied with all applicable code provisions as set out in Part 2 of the Corporate Governance Code, save for the deviation from code provision C.2.1 of the Corporate Governance Code.

Code provision C.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Li Qing is the executive Director, chairman of the Board and the chief executive officer of the Company. With extensive experience in the information technology and game industry, Mr. Li Qing is responsible for the overall management, decision-making and strategy planning of the Group and has been instrumental to the Group's growth and business expansion since the establishment of the Group. Since Mr. Li Qing is one of the key persons for the Group's management, the Board considers that vesting the roles of chairman and chief executive officer in the same person, Mr. Li Qing, would not create any potential harm to the interest of the Group and it is, on the contrary, beneficial to the management of the Group. In addition, the operation of the senior management of the Group and the Board, which are comprised of experienced individuals, effectively checks and balances the power and authority of Mr. Li Qing. The Board currently comprises two executive Directors (including Mr. Li Qing), two non-executive Directors and three independent non-executive Directors and therefore has a fairly strong independence element in its composition.

The Board will continue to review the effectiveness of the corporate governance structure in order to assess whether separation of the roles of chairman and chief executive officer is necessary.

Other Information

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard set out in the Model Code. Having made specific enquiry of all Directors, all of them have confirmed that they have complied with the Model Code during the six months ended 30 June 2026.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, the Shares listed on the Stock Exchange and held by the public represent at least 25% of the Company's total number of issued Shares (excluding treasury shares) since the Listing Date and up to the date of this interim report, and thus the Company has complied with Rule 13.32B of the Listing Rules.

INFORMATION OF DIRECTORS AND CHIEF EXECUTIVE

Ms. Wang Jing, an independent non-executive Director, has ceased to serve as an executive director and the chief financial officer of QingSong Health Corporation (a company listed on the Stock Exchange, stock code: 2661) with effect from April 2026. She has also ceased to serve as the chief financial officer of QingSong Health Corporation's subsidiaries, including Beijing Qingsongchou Network Technology Co., Ltd. (北京輕鬆籌網絡科技有限公司), Tianjin Gelinkaite Information Technology Co., Ltd. (天津格林凱特信息技術有限公司) and Guangdong QingSongBao Insurance Brokerage Co., Ltd. (廣東輕鬆保保險經紀有限公司). Currently, Ms. Wang does not hold any directorships in other listed companies.

Save as disclosed above, there is no change in the information of the Directors and chief executive of the Company required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules subsequent to the date of the 2025 annual report of the Company and up to the date of this interim report.

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with the Corporate Governance Code. As at the date of this interim report, the Audit Committee consists of three members, namely Mr. Zhu Lin, Ms. Wang Jing and Mr. Ding Zhiping. Mr. Zhu Lin is the chairman of the Audit Committee.

REVIEW OF THE INTERIM REPORT

The Audit Committee has reviewed the unaudited interim condensed consolidated financial information of the Group for the six months ended 30 June 2026 and the interim report of the Group for the six months ended 30 June 2026. The Audit Committee has no disagreement with the accounting treatment in unaudited interim condensed consolidated financial information and this interim report. In addition, the independent auditor of the Company, PricewaterhouseCoopers, has reviewed the unaudited interim condensed consolidated financial information of the Group for the six months ended 30 June 2026.

By order of the Board
Li Qing
Chairman

Beijing, China, 19 August 2026

Report on Review of Interim Financial Information

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

INTRODUCTION

We have reviewed the interim financial information set out on pages 33 to 72, which comprises the interim condensed consolidated balance sheet of Archosaur Games Inc. (the "**Company**") and its subsidiaries (together, the "**Group**") as at 30 June 2026 and the interim condensed consolidated statement of profit or loss, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and selected explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting". The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion 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 International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 19 August 2026

Interim Condensed Consolidated Statement of Profit or Loss

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Note	Six months ended 30 June	
		2026	2025
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Revenue	5	**608,613**	634,366
Cost of revenue	8	**(175,491)**	(181,545)
Gross profit		**433,122**	452,821
Research and development expenses	8	**(261,642)**	(265,481)
Selling and marketing expenses	8	**(288,258)**	(222,313)
Administrative expenses	8	**(46,228)**	(44,748)
Net impairment reversal/(losses) on financial assets	8	**4,824**	(335)
Other income	6	**4,023**	4,038
Other gains, net	7	**56,356**	39,257
Operating loss		**(97,803)**	(36,761)
Finance income	9	**15,711**	24,053
Finance costs	9	**(2,603)**	(411)
Finance income, net	9	**13,108**	23,642
Share of results of investments accounted for using the equity method	16	**4,898**	3,022
Loss before income tax		**(79,797)**	(10,097)
Income tax credit/(expense)	10	**11,281**	(1,633)
Loss for the period attributable to owners of the Company		**(68,516)**	(11,730)
Loss per share attributable to owners of the Company for the period (in RMB per share)	11		
– Basic		**(0.09)**	(0.01)
– Diluted		**(0.09)**	(0.01)

The above interim condensed consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

Interim Condensed Consolidated Statement of Comprehensive Income

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss for the period	**(68,516)**	(11,730)
Other comprehensive loss, net of tax:		
Items that may be reclassified to profit or loss		
Currency translation differences	**(11,251)**	(2,484)
Items that will not be reclassified to profit or loss		
Currency translation differences	**(80,956)**	(31,156)
Total comprehensive loss for the period attributable to owners of the Company	**(160,723)**	(45,370)

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

Interim Condensed Consolidated Balance Sheet

AS AT 30 JUNE 2026

	Note	**As at 30 June 2026 RMB'000 (Unaudited)**	As at 31 December 2025 RMB'000 (Audited)
Assets			
Non-current assets			
Property, plant and equipment	13	**7,263**	5,395
Right-of-use assets	15	**118,045**	132,909
Intangible assets	14	**113,371**	110,054
Investments accounted for using the equity method	16	**62,315**	57,417
Prepayments, other receivables and other assets	18	**13,010**	13,669
Financial assets at fair value through profit or loss	4.3, 19	**245,533**	221,995
Other financial assets at amortized cost	20	**189,709**	70,620
Deferred income tax assets		**40,079**	30,292
		789,325	642,351
Current assets			
Trade receivables	17	**120,837**	104,184
Prepayments, other receivables and other assets	18	**115,370**	100,843
Financial assets at fair value through profit or loss	4.3, 19	**540,995**	652,279
Other financial assets at amortized cost	20	**383**	72,574
Term deposits		**690,313**	813,697
Cash and cash equivalents		**235,997**	281,133
		1,703,895	2,024,710
Total assets		**2,493,220**	2,667,061
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital	21	**55**	55
Share premium	21	**7,003,636**	6,994,090
Other reserves	22	**(1,755,597)**	(1,658,224)
Accumulated losses		**(3,392,280)**	(3,323,764)
Total equity		**1,855,814**	2,012,157

Interim Condensed Consolidated Balance Sheet

AS AT 30 JUNE 2026

	Note	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Liabilities			
Non-current liabilities			
Contract liabilities	5	733	1,998
Lease liabilities	15	88,428	102,581
Deferred income tax liabilities		1,438	2,970
		90,599	107,549
Current liabilities			
Trade and other payables	24	208,729	207,550
Contract liabilities	5	303,916	305,297
Current income tax liabilities		6,079	6,736
Lease liabilities	15	28,083	27,772
		546,807	547,355
Total liabilities		637,406	654,904
Total equity and liabilities		2,493,220	2,667,061

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

The Interim Condensed Consolidated Financial Information on pages 33 to 72 was approved by the Board of Directors of the Company on 19 August 2026 and was signed on its behalf by:

Li Qing
Director

Bai Wei
Director

Interim Condensed Consolidated Statement of Changes in Equity

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Note	Share capital RMB'000	Share premium RMB'000	Other reserves RMB'000	Accumulated losses RMB'000	Total equity RMB'000
(Unaudited)						
Balance at 1 January 2026		55	6,994,090	(1,658,224)	(3,323,764)	2,012,157
Comprehensive loss						
Loss for the period		–	–	–	(68,516)	(68,516)
Other comprehensive loss						
Currency translation differences		–	–	(92,207)	–	(92,207)
Total comprehensive loss		–	–	(92,207)	(68,516)	(160,723)
Transactions with owners in their capacity as owners						
Share-based compensation	23(c)	–	–	4,380	–	4,380
Vesting of restricted share units	21, 22	–	9,546	(9,546)	–	–
Total transactions with owners in their capacity as owners		–	9,546	(5,166)	–	4,380
Balance at 30 June 2026		55	7,003,636	(1,755,597)	(3,392,280)	1,855,814

Interim Condensed Consolidated Statement of Changes in Equity

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Note	Share capital RMB'000	Share premium RMB'000	Other reserves RMB'000	Accumulated losses RMB'000	Total equity RMB'000
(Unaudited)						
Balance at 1 January 2025		55	6,980,625	(1,588,338)	(3,287,058)	2,105,284
Comprehensive loss						
Loss for the period		–	–	–	(11,730)	(11,730)
Other comprehensive loss						
Currency translation differences		–	–	(33,640)	–	(33,640)
Total comprehensive loss		–	–	(33,640)	(11,730)	(45,370)
Transactions with owners in their capacity as owners						
Share-based compensation	23(c)	–	–	4,018	–	4,018
Vesting of restricted share units	21, 22	–	13,423	(13,423)	–	–
Repurchase of shares	22	–	–	(901)	–	(901)
Total transactions with owners in their capacity as owners		–	13,423	(10,306)	–	3,117
Balance at 30 June 2025		55	6,994,048	(1,632,284)	(3,298,788)	2,063,031

The above interim condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Interim Condensed Consolidated Statement of Cash Flows

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Note	Six months ended 30 June	
		2026	2025
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Cash flows from operating activities			
Cash used in operations		**(143,784)**	(38,078)
Interest received		**1,863**	2,535
Income tax paid		**(693)**	(536)
Net cash used in operating activities		**(142,614)**	(36,079)
Cash flows from investing activities			
Purchases of property, plant and equipment		**(2,121)**	(1,090)
Purchases of intangible assets		**(21,660)**	(3,260)
Purchases of other financial assets at amortized cost		**(121,320)**	–
Purchases of financial assets at fair value through profit or loss	19	**(106,741)**	(128,110)
Proceeds from maturity of financial assets at fair value through profit or loss		**183,549**	123,462
Investments in term deposits		**(407,388)**	(503,591)
Proceeds from maturity of term deposits		**500,180**	369,396
Proceeds from other financial assets measured at amortized cost		**67,553**	–
Interest income from other financial assets at amortized cost		**5,232**	5,591
Interest income from term deposits		**21,590**	18,983
Repayment of loan from related party		**–**	700
Proceeds from disposal of property, plant and equipment		**59**	198
Net cash from/(used in) investing activities		**118,933**	(117,721)

Interim Condensed Consolidated Statement of Cash Flows

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Note	Six months ended 30 June	
		2026	2025
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Cash flows from financing activities			
Principal elements of lease payments		**(13,842)**	(16,002)
Interest paid on lease liabilities		**(2,182)**	(201)
Net cash used in financing activities		**(16,024)**	(16,203)
Net decrease in cash and cash equivalents		**(39,705)**	(170,003)
Cash and cash equivalents at beginning of the period		**281,133**	433,689
Exchange losses on cash and cash equivalents		**(5,431)**	(2,033)
Cash and cash equivalents at end of the period		**235,997**	261,653

The above interim condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Interim Condensed Consolidated Financial Information

1 GENERAL INFORMATION

Archosaur Games Inc. (the "**Company**") was incorporated in the Cayman Islands on 2 January 2020 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Ascentium (Cayman) Limited, 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (together, the "**Group**") are principally engaged in the development and operating of mobile games in the People's Republic of China (the "**PRC**") and other countries and regions (the "**Group's Business**").

The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 15 July 2020 ("**Listing**" or "**IPO**").

The interim condensed consolidated financial information for the six months ended 30 June 2026 is presented in Renminbi and all values are rounded to the nearest thousand of RMB (RMB'000), unless otherwise indicated. The interim condensed consolidated financial information for the six months ended 30 June 2026 has been approved by the Board of Directors of the Company on 19 August 2026.

This interim condensed consolidated financial information for the six months ended 30 June 2026 has not been audited.

2 BASIS OF PREPARATION

2.1 Compliance with IFRS Accounting Standards

The interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with International Accounting Standards ("**IAS**") 34 "Interim Financial Reporting" as issued by the International Accounting Standards Board ("**IASB**"). This interim condensed consolidated financial information should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2025 (the "**2025 Financial Statements**"), which have been prepared in accordance with IFRS Accounting Standards.

The accounting policies adopted are consistent with those set out in the 2025 Financial Statements.

2.2 Amended standards and annual improvements and adopted by the Group

The Group has applied the following amended standards and annual improvements for the first time for the current reporting period commencing 1 January 2026:

Standards and amendments	Effective for annual periods beginning on or after
Amendment to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
Amendment to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity	1 January 2026

The adoption of the above amendments and annual improvements to IFRS Accounting Standards in the current period did not have any material effect on the Group's interim condensed consolidated financial information.

Notes to the Interim Condensed Consolidated Financial Information

2 BASIS OF PREPARATION *(Continued)*

2.3 New standards and amendments not yet adopted

Certain new accounting standards and amendments have been published that are not mandatory in this interim condensed consolidated financial information and have not been early adopted by the Group.

Standards and amendments	Effective for annual periods beginning on or after
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IAS 21 – Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to IAS 28 - Amendments to the Fair Value Option for Investments in Associates and Joint Venture	1 January 2027
IFRS 20 Regulatory Assets and Regulatory Liabilities	1 January 2029
Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate	To be determined

These new and amended accounting standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions, except that the adoption of IFRS 18 upon its effective date is expected to have certain pervasive impact on the presentation and disclosures of the Group's consolidated financial statements which were described in the Group's annual consolidated financial statements for the year ended 31 December 2025.

The material accounting policies applied in the preparation of the Interim Financial Information are consistent with those used in the preparation of the annual consolidated financial statements of the Group for the year ended December 31, 2025.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of interim financial information required management to make judgements, 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 condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key source of estimation uncertainty were the same as those that applied to the Company's 2025 Financial Statements.

Notes to the Interim Condensed Consolidated Financial Information

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 and cash flow and fair value interest rate risk), credit risk and liquidity risk.

The interim condensed consolidated 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 Company's 2025 Financial Statements.

4.2 Liquidity risk

The Group aims to maintain sufficient cash and cash equivalents. Due to the dynamic nature of the underlying businesses, the Group's finance department maintains flexibility in funding by maintaining adequate cash and cash equivalents.

The table below analyzes the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total contractual cash flows RMB'000	Carrying amount RMB'000
Group						
At 30 June 2026 (Unaudited)						
Trade and other payables (excluding payroll liabilities and tax payables) (Note 24)	**160,687**	**–**	**–**	**–**	**160,687**	**160,687**
Lease liabilities	**31,715**	**30,680**	**62,621**	**–**	**125,016**	**116,511**
	192,402	**30,680**	**62,621**	**–**	**285,703**	**277,198**
At 31 December 2025 (Audited)						
Trade and other payables (excluding payroll liabilities and tax payables) (Note 24)	125,087	–	–	–	125,087	125,087
Lease liabilities	31,893	31,356	77,793	–	141,042	130,353
	156,980	31,356	77,793	–	266,129	255,440

Notes to the Interim Condensed Consolidated Financial Information

4 FINANCIAL RISK MANAGEMENT *(Continued)*

4.3 Fair value estimation

The table below analyzes 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:

- Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

- Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

The following table presents the Group's financial assets that are measured at fair value as at 30 June 2026 and 31 December 2025 none of the Group's financial liabilities is measured at fair value:

(Unaudited) **As at 30 June 2026**	**Level 1** **RMB'000**	**Level 2** **RMB'000**	**Level 3** **RMB'000**	**Total** **RMB'000**
Assets				
Current				
Investments in wealth management products (Note 19)	–	–	89,293	89,293
Other fund investments (Note 19)	–	–	195,603	195,603
Structured investments (Note 19)	–	–	256,099	256,099
	–	–	540,995	540,995
Non-current				
Investments in private equity funds and venture capital funds (Note 19)	–	–	161,339	161,339
Structured investments (Note 19)	–	–	37,635	37,635
Preferred share investments (Note 19)	–	–	30,524	30,524
Other fund investments (Note 19)	–	–	6,628	6,628
Other ordinary share investments (Note 19)	–	–	9,407	9,407
	–	–	245,533	245,533
	–	–	786,528	786,528

Notes to the Interim Condensed Consolidated Financial Information

4 FINANCIAL RISK MANAGEMENT *(Continued)*

4.3 Fair value estimation *(Continued)*

The following table presents the Group's financial assets that are measured at fair value as at 31 December 2025 and none of the Group's financial liabilities is measured at fair value.

(Audited) As at 31 December 2025	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Assets				
Current				
Investments in wealth management products (Note 19)	–	–	174,049	174,049
Other fund investments (Note 19)	–	–	199,264	199,264
Structured investments (Note 19)	–	–	278,966	278,966
	–	–	652,279	652,279
Non-current				
Investments in private equity funds and venture capital funds (Note 19)	–	–	140,709	140,709
Structured investments (Note 19)	–	–	34,659	34,659
Preferred share investments (Note 19)	–	–	30,972	30,972
Other fund investments (Note 19)	–	–	6,248	6,248
Other ordinary share investments (Note 19)	–	–	9,407	9,407
	–	–	221,995	221,995
	–	–	874,274	874,274

The movements of these level 3 instruments of financial assets at fair value through profit or loss for the six months ended 30 June 2026 and 2025 have been disclosed in Note 19. There were no transfers among Levels 1, 2 and 3 during the periods.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- The net asset value of the investments;
- The latest round financing, i.e. the prior transaction price or the third-party pricing information;
- Other techniques, such as discounted cash flow analysis and comparable company approach, are used to determine fair value for financial instruments.

Notes to the Interim Condensed Consolidated Financial Information

4 FINANCIAL RISK MANAGEMENT *(Continued)*

4.3 Fair value estimation *(Continued)*

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

The components of the level 3 instruments include investments in wealth management products, preferred share investments, other ordinary share investments, investments in private equity funds and venture capital funds, other fund investments and, structured investments. As these instruments are not traded in an active market, their fair values have been determined by using applicable methodologies.

The following table summarizes the quantitative information about the significant unobservable inputs used in level 3 fair value measurement of the aforementioned instruments.

	Fair value			Range of inputs		
Description	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)	Significant unobservable inputs	As at 30 June 2026	As at 31 December 2025	Relationship of unobservable inputs to fair value
Investments in wealth management products	89,293	174,049	Expected rate of return	1.53% to 2.46%	1.31% to 2.77%	The higher the expected rate of return, the higher the fair value.
Preferred share investments (note (a))	30,524	30,972	Expected volatility	47.81%	48.25%	The higher the expected volatility, the lower the fair value.
			Risk-free rate	4.26%	3.84%	The higher the risk-free rate, the higher the fair value.
			Discount for lack of marketability ("DLOM")	29.00%	29.00%	The higher the DLOM, the lower the fair value.
Other ordinary share investments (note (a))	9,407	9,407	Expected volatility	43.11%	47.14%	The higher the expected volatility, the higher the fair value.
			Risk-free rate	1.18%	1.36%	The higher the risk-free rate, the higher the fair value.
			DLOM	32.00%	32.00%	The higher the DLOM, the lower the fair value.
Investments in private equity funds and venture capital funds (note (b))	161,339	140,709	Net asset value	N/A	N/A	The higher the net asset value, the higher the fair value.
Other fund investments (note (c))	202,231	205,512	Net asset value	N/A	N/A	The higher the net asset value, the higher the fair value.
Structured investments (note (c))	293,734	313,625	Net asset value	N/A	N/A	The higher the net asset value, the higher the fair value.
	786,528	874,274				

Notes to the Interim Condensed Consolidated Financial Information

4 FINANCIAL RISK MANAGEMENT *(Continued)*

4.3 Fair value estimation *(Continued)*

Notes:

(a) The Group determines the fair values of preferred share investments and other ordinary share investments as at the reporting date by using the applicable valuation technique.

(b) The fair value of investments in private equity funds and venture capital funds are primarily valued based on the net asset values in the latest available consolidated financial statements and valuation reports as provided by their general partners.

(c) The fair value of other fund investments and structured investments are determined based on the reported net asset values of the respective instruments as provided by fund managers or their issuers.

5 SEGMENT INFORMATION AND REVENUE

The Group's business activities, for which discrete financial information are available, are regularly reviewed and evaluated by the chief operating decision makers (i.e. the executive directors of the Company). As a result of this evaluation, the directors of the Company consider that the Group's operations are 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.

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

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Online game revenue		
– Development and licensing		
Revenue share	**41,036**	51,648
Non-refundable fixed licensing fees	**2,932**	3,498
– Integrated game publishing and operation	**563,289**	579,036
– Others	**1,356**	184
	608,613	634,366
Timing of revenue recognition		
– At a point in time	**42,392**	51,832
– Over time	**566,221**	582,534
	608,613	634,366

The Group considered itself as an agent in arrangements of "development and licensing business", and recorded revenue on a net basis; whereas, the Group considered itself as a principal in arrangements of "integrated game publishing and operation business", and recorded revenue on a gross basis.

Notes to the Interim Condensed Consolidated Financial Information

5 SEGMENT INFORMATION AND REVENUE *(Continued)*

Revenues of approximately RMB42,092,000 and RMB53,463,000 for the six months ended 30 June 2026 and 2025, respectively were derived from five largest single external customers.

During the six months ended 30 June 2026 and 2025, no revenue derived from a single external customer accounted for more than 10% of the Group's total revenue.

The Group's revenue from external customers analyzed by location of the customers is shown in the table below.

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue by geographical segment		
Chinese mainland	**466,536**	511,688
Areas outside Chinese mainland	**142,077**	122,678
	608,613	634,366

The Group has recognised the following assets and liabilities related to contracts with customers:

	As at 30 June 2026	As at 31 December 2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Contract costs		
Current		
Contract costs for online game revenue	**66,181**	66,009
Contract liabilities		
Current		
Unamortised revenue from sales of in-game virtual items	**285,646**	288,834
Revenue share received in advance	**7,800**	5,516
Unamortised balance of the non-refundable fixed licensing fees	**10,470**	10,947
	303,916	305,297
Non-current		
Unamortised balance of the non-refundable fixed licensing fees	**733**	1,998
	304,649	307,295

Notes to the Interim Condensed Consolidated Financial Information

5 SEGMENT INFORMATION AND REVENUE *(Continued)*

Contract costs are mainly unamortized commissions charged by the distribution channels. They are capitalized as contract costs and amortized over their respective Player Relationship Periods, which is consistent with the pattern of recognition of the associated revenue.

Contract liabilities primarily represent the unamortized revenue from sales of in-game virtual items in the Group's online game services, the non-refundable fixed licensing fees and revenue share received in advance from customers, which the Group continued to have obligations as of the reporting date.

Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue recognised that was included in the contract liabilities balance at beginning of the period		
Unamortised revenue from sales of in-game virtual items	**253,263**	225,673
Revenue share received in advance	**822**	–
Unamortised balance of the non-refundable fixed licensing fees	**2,711**	3,354
	256,796	229,027

6 OTHER INCOME

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest income on other financial assets at amortized cost	**3,382**	3,458
Government grants (note)	**641**	580
	4,023	4,038

Note:

Government grants represented various subsidies received from local government authorities in the PRC. There are no unfulfilled conditions or contingencies related to the above government grants.

Notes to the Interim Condensed Consolidated Financial Information

7 OTHER GAINS, NET

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Gains on financial assets at fair value through profit or loss (Note 19)	**14,267**	11,789
Foreign exchange gains, net	**41,396**	26,635
Others	**693**	833
	56,356	39,257

8 EXPENSES BY NATURE

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Employee benefit expenses	**280,541**	276,378
Promotion and advertising expenses	**245,174**	186,676
Commissions charged by distribution channels and payment channels	**129,633**	135,196
Outsourced technical services	**39,127**	34,735
Depreciation and amortization charges (Notes 13, 14 and 15)	**25,081**	26,748
Commissions charged by IP holders	**18,007**	19,872
Bandwidth and servers custody fee	**11,423**	13,351
Utilities and office expenses	**9,854**	9,343
Other professional consulting fees	**3,264**	2,672
VAT input transfer out and tax surcharges	**2,739**	2,174
Travelling expenses	**2,177**	1,832
Auditors' remuneration	**924**	1,023
– Audit services	**900**	1,000
– Non-audit services	**24**	23
Net impairment (reversal)/losses on financial assets	**(4,824)**	335
Others	**3,675**	4,087
	766,795	714,422

Notes to the Interim Condensed Consolidated Financial Information

9 FINANCE INCOME, NET

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Finance income		
Interest income	**15,711**	24,053
Finance costs		
Interest expenses on lease liabilities (Note 15)	**(2,182)**	(201)
Others	**(421)**	(210)
	(2,603)	(411)
Finance income, net	**13,108**	23,642

10 INCOME TAX CREDIT/(EXPENSE)

The income tax credit/(expense) of the Group for the six months ended 30 June 2026 and 2025 is analyzed as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current income tax expense	**36**	591
Deferred income tax (credit)/expense	**(11,317)**	1,042
	(11,281)	1,633

(a) Cayman Islands and British Virgin Islands ("BVI") Income Tax

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and accordingly, is exempted from Cayman Islands income tax. Group entities established under the International Business Companies Acts of BVI are exempted from BVI income taxes.

(b) Hong Kong Income Tax

The entity incorporated in Hong Kong is subject to Hong Kong profits tax of which the tax rate is 8.25% for assessable profits in the first HK$2 million and 16.5% for any assessable profits in excess of HK$2 million for the six months ended 30 June 2026 and 2025, based on the existing legislation, interpretations and practices in respect thereof.

Notes to the Interim Condensed Consolidated Financial Information

10 INCOME TAX CREDIT/(EXPENSE) *(Continued)*

(c) Enterprise Income Tax ("EIT")

The income tax provision of the Group in respect of its operations in Chinese mainland was calculated at the tax rate of 25% on the assessable profits for the six months ended 30 June 2026 and 2025, based on the existing legislation, interpretations and practices in respect thereof.

Tianjin Loong Technology Co., Ltd. (祖龍（天津）科技股份有限公司) ("**Tianjin Loong**") qualified as a "High and New Technology Enterprise" ("**HNTE**") under the EIT law in 2017. In November 2023, Tianjin Loong renewed its HNTE qualification and is therefore entitled to a preferential income tax rate of 15% on its assessable profits for three-year periods from November 2023 to November 2026. Currently, management expects that Tianjin Loong could only be qualified and renewed as a HNTE again in 2028 and hence the EIT rate applicable to Tianjin Loong for the year ending 31 December 2026 is 25%.

Beijing Fantasy Mermaid Technology Limited (北京幻想美人魚科技有限公司) ("**Beijing Fantasy Mermaid**") qualified as a HNTE under the EIT law in 2019. In December 2025, Beijing Fantasy Mermaid renewed its HNTE qualification and is therefore entitled to a preferential income tax rate of 15% on its assessable profits for three-year periods from December 2025 to December 2028.

Shanghai Zu Yun Technology Co., Ltd. (上海祖昀科技有限公司), Hainan Loong Technology Co., Ltd. (海南祖龍科技有限公司) and Hainan Long Yao Technology Co., Ltd. (海南龍耀科技有限公司) are qualified as small and micro enterprise in 2026. According to the Announcement of the Ministry of Finance of the PRC and the State Taxation Administration on Further Supporting the Development of Small and Micro Enterprises and Individual Businesses (Cai Shui [2023] No. 12), only 25% the aforesaid subsidiaries' taxable profits will be subject to enterprise income tax at a preferential tax rate of 20%.

Chengdu Fantasy Mermaid Technology Limited (成都幻想美人魚科技有限公司), Beihai Loong Venture Capital Co., Ltd. (北海祖龍創業投資有限公司) and Beihai Longhao Venture Capital Co., Ltd. (北海龍灝創業投資有限公司) met the requirements of the revised catalogue of industries whose development are to be encouraged in the country's western regions. They are eligible to a preferential income tax rate of 15% in accordance with Announcement on Continuing the Enterprise Income Tax Policy for the Development of the Western Regions (Announcement [2020] No. 23 of the Ministry of Finance of the PRC, the State Taxation Administration, and the National Development and Reform Commission).

According to a policy promulgated by the Ministry of Finance of the PRC and the State Taxation Administration that was effective from 2023 onwards, enterprises engaging in research and development activities are entitled to claim 200% of their research and development expenses incurred as tax deductible expenses in determining tax assessable profits ("**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 period.

Notes to the Interim Condensed Consolidated Financial Information

11 LOSS PER SHARE

(a) Basic

Basic loss per share is calculated by dividing the Group's loss attributable to owners of the Company by the weighted average number of ordinary shares in issue (excluding any treasury shares) during the period.

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Loss attributable to owners of the Company (RMB'000)	**(68,516)**	(11,730)
Weighted average number of ordinary shares in issue (in thousands)	**789,903**	787,494
Less: weighted average number of treasury shares (in thousands)	**(3,009)**	(2,573)
Weighted average number of ordinary shares outstanding (in thousands)	**786,894**	784,921
Basic loss per share (in RMB per share)	**(0.09)**	(0.01)

(b) Diluted

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

For the six months ended 30 June 2026 and 2025, the Company has two categories of dilutive potential ordinary shares: the restricted share unit ("**RSU**") and the share options granted by the Company as described in Note 23.

For the purpose of calculating diluted loss per share for the six months ended 30 June 2026 and 2025, RSUs and share options are assumed to have been converted into ordinary shares with no corresponding change in net loss attributable to ordinary shareholders. As the Group incurred losses for the respective periods, this potential adjustment resulted in an anti-dilutive effect in the calculation of diluted loss per share. Accordingly, diluted loss per share for the six months ended 30 June 2026 and 2025 are the same as basic loss per share for the respective periods.

12 DIVIDENDS

No dividend has been declared or paid by the Company for the six months ended 30 June 2026 and 2025.

Notes to the Interim Condensed Consolidated Financial Information

13 PROPERTY, PLANT AND EQUIPMENT

	Office equipment RMB'000	Furniture RMB'000	Leasehold improvements RMB'000	Total RMB'000
Six months ended 30 June 2026 (Unaudited)				
Opening net book amount	**5,329**	**66**	**–**	**5,395**
Additions	**3,038**	**6**	**–**	**3,044**
Disposals	**(73)**	**–**	**–**	**(73)**
Depreciation charge	**(1,096)**	**(7)**	**–**	**(1,103)**
Closing net book amount	**7,198**	**65**	**–**	**7,263**
Six months ended 30 June 2025 (Unaudited)				
Opening net book amount	7,359	73	1,972	9,404
Additions	824	–	–	824
Disposals	(226)	–	–	(226)
Depreciation charge	(2,444)	(15)	(1,434)	(3,893)
Closing net book amount	5,513	58	538	6,109

14 INTANGIBLE ASSETS

	Software RMB'000	Copyrights and game licenses RMB'000	Trademark and domain names RMB'000	Total RMB'000
Six months ended 30 June 2026 (Unaudited)				
Opening net book amount	**26,398**	**83,656**	**–**	**110,054**
Additions	**3,688**	**9,434**	**–**	**13,122**
Amortisation charge	**(3,162)**	**(5,954)**	**–**	**(9,116)**
Currency translation differences	**(689)**	**–**	**–**	**(689)**
Closing net book amount	**26,235**	**87,136**	**–**	**113,371**
Six months ended 30 June 2025 (Unaudited)				
Opening net book amount	31,614	70,963	13	102,590
Additions	1,858	–	–	1,858
Amortisation charge	(3,486)	(5,462)	(9)	(8,957)
Currency translation differences	(105)	–	–	(105)
Closing net book amount	29,881	65,501	4	95,386

Notes to the Interim Condensed Consolidated Financial Information

15 LEASES

(a) Amounts recognised in the interim condensed consolidated balance sheet

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Right-of-use assets		
Leased properties	118,045	132,909

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Lease liabilities		
Current	28,083	27,772
Non-current	88,428	102,581
	116,511	130,353

Notes to the Interim Condensed Consolidated Financial Information

15 LEASES *(Continued)*

(b) Amounts recognised in the interim condensed consolidated statement of profit or loss

The interim condensed consolidated statement of profit or loss shows 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		
Leased properties	**14,862**	13,898

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest expenses (included in finance costs)	**2,182**	201
Expense relating to short-term leases (included in cost of revenue, research and development expenses and administrative expenses)	**315**	302

(c) Amounts recognised in the interim condensed consolidated statement of cash flows

For the six months ended 30 June 2026 and 2025, the total cash outflows from financing activities for leases amounted to approximately RMB16,024,000 and RMB16,203,000, respectively and the total cash outflows from operating activities for short-term leases amounted to approximately RMB315,000 and RMB302,000, respectively.

Notes to the Interim Condensed Consolidated Financial Information

16 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Investments in associates using the equity method	**62,315**	57,417

The movements in the carrying amounts of investments accounted for using the equity method are as follows:

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Beginning of the period	**57,417**	64,598
Share of operating results	**4,898**	3,022
End of the period	**62,315**	67,620

As at 30 June 2026, the Group invested in three associates. In the opinion of the directors of the Company, none of the associates is material to the Group.

Notes to the Interim Condensed Consolidated Financial Information

17 TRADE RECEIVABLES

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Trade receivables	128,949	117,120
Less: allowance for impairment of trade receivables	(8,112)	(12,936)
Trade receivables – net	120,837	104,184

The following table sets forth the gross carrying amount of trade receivables by customer types:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Related parties (Note 26(c))	20,054	17,643
Third parties	108,895	99,477
	128,949	117,120

The gross 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)
RMB	72,629	69,190
United States Dollar ("US$")	44,936	42,947
Hong Kong Dollar ("HK$")	11,371	4,959
Others	13	24
	128,949	117,120

Notes to the Interim Condensed Consolidated Financial Information

17 TRADE RECEIVABLES *(Continued)*

The Group allows a credit period of 90 – 150 days to its customers. An aging analysis of trade receivables based on revenue recognition date is as follows:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Up to 3 months	**113,462**	96,044
3 to 6 months	**98**	2,575
6 months to 1 year	**634**	549
Over 1 year	**14,755**	17,952
	128,949	117,120

Movements in 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)
Beginning of the period	**(12,936)**	(14,354)
Reversal/(provision) of loss allowance	**4,824**	(1,018)
End of the period	**(8,112)**	(15,372)

The creation and release of provision for impaired receivables have been included in "Net impairment reversal/(losses) on financial assets" in the interim condensed consolidated statement of profit or loss.

The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables. The Group does not hold any collateral as security.

Notes to the Interim Condensed Consolidated Financial Information

18 PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Included in non-current assets		
Rental deposits	9,285	9,899
Others	3,725	3,770
	13,010	13,669
Included in current assets		
Contract costs	66,181	66,009
Prepaid commissions charged by IP holders (note)	12,108	5,601
Recoverable value-added tax	10,376	12,245
Receivables from private equity fund distributions	8,547	–
Prepayments to stockbrokers for share repurchase	3,887	4,040
Loan to a related party	2,827	2,827
Others	14,271	12,948
	118,197	103,670
Less: allowance for impairment	(2,827)	(2,827)
	115,370	100,843

Note:

The Group pays fixed license fees to the IP holders or a revenue share of the gross game billings based on the pre-agreed threshold. The prepayments for license fees will be amortized to cost of revenue during the authorization period of the related IPs.

Notes to the Interim Condensed Consolidated Financial Information

19 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Current		
Investments in wealth management products (note (a))	89,293	174,049
Other fund investments (note (b))	195,603	199,264
Structured investments (note (c))	256,099	278,966
	540,995	652,279
Non-current		
Investments in private equity funds and venture capital funds (note (d))	161,339	140,709
Structured investments (note (c))	37,635	34,659
Preferred share investments (note (e))	30,524	30,972
Other fund investments (note (b))	6,628	6,248
Other ordinary share investments (note (f))	9,407	9,407
	245,533	221,995
	786,528	874,274

Movements in financial assets 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)	2025 RMB'000 (Unaudited)
Beginning of the period	874,274	678,825
Additions:		
– Investments in wealth management products	41,000	30,000
– Structured investments	39,291	93,110
– Investments in private equity funds and venture capital funds	26,450	–
– Other fund investments	–	5,000
Disposal	(192,096)	(125,222)
Changes in fair value	14,267	11,789
Currency translation differences	(16,658)	191
End of the period	786,528	693,693
Included net unrealised gains recognised in the interim condensed consolidated statement of profit or loss	4,765	6,648

Notes to the Interim Condensed Consolidated Financial Information

19 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS *(Continued)*

Notes:

(a) The Group purchased certain wealth management products issued by certain major commercial banks in the PRC. The Group has classified its investments in these wealth management products as financial assets at fair value through profit or loss. Fair values of these investments were estimated based on expected return of each wealth management products held by the Group.

(b) Other fund investments represent the Group's investment in various securities funds, which were offered by several international financial institutions.

(c) The Group purchased structured investments issued by several PRC and international financial institutions. The returns on all of these investments are not guaranteed, hence their contractual cash flows do not qualify for solely payments of principal and interest. Therefore they are measured at fair value through profit or loss.

(d) Investments in private equity funds and venture capital funds represent the Group's investment in certain private equity funds and venture capital funds as a limited partner. As the Group did not have control or significant influence on these funds, the investments were classified as financial assets at fair value through profit or loss. These funds were established to obtain capital appreciation and investment income.

(e) Preferred share investments on unlisted companies represent the Group's investment in ordinary shares with preferential rights to require and demand the investee to redeem all of the shares held by the Group at guaranteed pre-determined fixed amount upon redemption events which are out of control of issuers. Hence, these investments are accounted for as debt instruments and are measured as financial assets at fair value through profit or loss.

(f) Other ordinary share investments on unlisted companies represent the Group's investments in ordinary shares without preferential rights. As the Group did not have control or significant influence on these companies, the investments were classified as financial assets at fair value through profit or loss.

20 OTHER FINANCIAL ASSETS AT AMORTIZED COST

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Fixed-rate notes (note (a))	**–**	72,172
Structured notes (note (b))	**121,295**	–
US Treasury Note	**68,797**	71,022
	190,092	143,194
Less: Current assets	**(383)**	(72,574)
Non-current assets	**189,709**	70,620

These investments are held for collection of contractual cash flows and the contractual cash flows of these investments qualify for solely payments of principal and interest, hence they are measured at amortized costs.

Notes:

(a) The fixed-rate notes were early redeemed by the issuer on 23 January 2026 in accordance with the contractual terms.

(b) During the six months ended 30 June 2026, the Group purchased three structured notes from several international financial institutions in a principal amount of US$17.6 million.

Notes to the Interim Condensed Consolidated Financial Information

21 SHARE CAPITAL AND SHARE PREMIUM

	Number of ordinary shares	Nominal value of ordinary shares US$
Authorized		
At 1 January 2025 and 2026, 30 June 2025 and 2026	**5,000,000,000**	**50,000**

	Number of ordinary shares	Nominal value of ordinary shares US$'000	Equivalent nominal value of ordinary shares RMB'000	Share premium RMB'000
Issued				
At 1 January 2026	**788,843,292**	**8**	**55**	**6,994,090**
Vesting of RSUs (note)	**2,181,000**	**–**	**–**	**9,546**
At 30 June 2026	**791,024,292**	**8**	**55**	**7,003,636**
At 1 January 2025	786,249,192	8	55	6,980,625
Vesting of RSUs (note)	2,582,100	–	–	13,423
At 30 June 2025	788,831,292	8	55	6,994,048

Note:

During the six months ended 30 June 2026, 2,181,000 (2025: 2,582,100) ordinary shares of the Company were transferred to the share awardees upon vesting of the awarded shares under the scheme which is disclosed in Note 23(b).

Notes to the Interim Condensed Consolidated Financial Information

22 OTHER RESERVES

	Capital reserve RMB'000	Statutory reserve RMB'000	Share-based compensation reserve RMB'000	Currency translation differences RMB'000	Others RMB'000	Total RMB'000
At 1 January 2026	**(1,851,237)**	**5,000**	**238,684**	**(23,368)**	**(27,303)**	**(1,658,224)**
Share-based compensation (Note 23(c))	**–**	**–**	**4,380**	**–**	**–**	**4,380**
Vesting of RSUs	**–**	**–**	**(9,546)**	**–**	**–**	**(9,546)**
Currency translation differences	**–**	**–**	**–**	**(92,207)**	**–**	**(92,207)**
At 30 June 2026 (Unaudited)	**(1,851,237)**	**5,000**	**233,518**	**(115,575)**	**(27,303)**	**(1,755,597)**
At 1 January 2025	(1,851,237)	5,000	247,389	36,912	(26,402)	(1,588,338)
Share-based compensation (Note 23(c))	–	–	4,018	–	–	4,018
Vesting of RSUs	–	–	(13,423)	–	–	(13,423)
Repurchase of shares (note)	–	–	–	–	(901)	(901)
Currency translation differences	–	–	–	(33,640)	–	(33,640)
At 30 June 2025 (Unaudited)	(1,851,237)	5,000	237,984	3,272	(27,303)	(1,632,284)

Note:

During the six months ended 30 June 2025, the Group repurchased a total of 817,000 ordinary shares of the Company on The Stock Exchange of Hong Kong Limited at an aggregate consideration of HK$971,100 (approximately RMB901,000). No repurchased share has been cancelled during the six months ended 30 June 2025 and 2026.

Notes to the Interim Condensed Consolidated Financial Information

23 SHARE-BASED PAYMENTS

(a) Share Option Scheme

The Company adopted the share option scheme at the extraordinary general meeting on 5 February 2021 (the "**Adoption Date**") (the "**Share Option Scheme**"). The purpose of the Share Option Scheme is to provide incentive or reward to employees (excluding any directors) of the Group for their contribution to, and continuing efforts to promote the interests of, the Group, and to incentive them to remain with the Group.

Upon the Share Option Scheme, the aggregate number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme shall not exceed 40,775,500 shares representing 5% of the total number of shares in issue as at the Adoption Date.

On 14 April 2021, 8,155,100 share options were granted to eligible grantees under the Share Option Scheme. Pursuant to the Share Option Scheme, subject to grantees' employment or service to the Group through the applicable vesting date, the share options shall become vested with respect to 40%, 30% and 30% of the share options on each of the first trading day after 12, 24 and 36 months from the grant date. Each share option entitles the holder to subscribe for one share upon exercise of such share option at an exercise price of HK$14.756 per share.

On 7 January 2022 (the "**modification date**"), the Company cancelled the existing 6,764,377 exercisable share options (the "**outstanding share options**") and offered to grant 6,764,377 new share options to the existing holders to subscribe for 6,764,377 ordinary shares at a lower exercise price, which are served as replacement of the cancelled outstanding share options under the Share Option Scheme. The exercise price was reduced from HK$14.756 to HK$8.72 per share. The terms of the original share options are otherwise the same. This arrangement is treated as if the original share options had been modified. As a result, the incremental fair value granted should be expensed over the new vesting period since the modification date in addition to the Company continuing to charge for the original share options over the original vesting period.

The options may be exercised at any time after they have vested subject to the terms and conditions described in the offer letter until the last day of the 10-year period after the modification date.

As at 30 June 2026 and 2025, all share options had been vested or forfeited.

No share option was expired or exercised during the six months ended 30 June 2026 and the remaining contractual life of outstanding share options was 5.5 years as of 30 June 2026.

The Company used binomial pricing model to determine the fair value of the share option granted, which is to be expensed over the vesting period.

Notes to the Interim Condensed Consolidated Financial Information

23 SHARE-BASED PAYMENTS *(Continued)*

(b) Restricted Share Unit Scheme

On 1 April 2020, to incentivize directors, senior management and employees, a RSU scheme was approved and adopted by the Company (the "**Pre-IPO RSU Scheme**"). Smooth Ebony Limited ("**Smooth Ebony**") was incorporated to hold 5,000,000 ordinary shares (in equivalent to 29,400,000 underlying shares upon the completion of the capitalization issue). Smooth Ebony acts as the holding company to hold the shares on trust under the Pre-IPO RSU Scheme. Smooth Ebony was consolidated by the Company as to the Company is able to execute power over the control and management over Smooth Ebony.

On 1 April 2020, 24 June 2020, 1 February 2021, 29 March 2021, 25 August 2021, 25 March 2022 and 30 August 2022, in exchange for employee services to the Group, the Company granted RSUs representing an aggregate of 21,223,716 underlying shares to certain eligible employees pursuant to the Pre-IPO RSU Scheme. Subject to grantees' employment or service to the Group through the applicable vesting date, the RSUs shall become vested with respect to 40%, 30% and 30% of the RSUs on each of the first trading day after 12, 24 and 36 months from the respective grant dates.

On 22 December 2022, the new RSU scheme of the Company was approved and adopted by the shareholders (the "**RSU Scheme**").

On 6 April 2023, 29 August 2023, 29 August 2024, 4 November 2024, 25 March 2025, 13 June 2025, 26 August 2025, 16 February 2026 and 26 June 2026, the Company granted RSUs representing an aggregate of 22,195,000 underlying shares to certain eligible employees pursuant to the RSU Scheme. Subject to grantees' employment or service to the Group through the applicable vesting date, the RSUs shall become vested with respect to 40%, 30% and 30% of the RSUs on each of the first day after 12, 24 and 36 months from the respective grant dates.

Movements in the number of underlying shares represented by RSUs under the Pre-IPO RSU Scheme and the RSU Scheme for the six months ended 30 June 2026 and 2025 are as follows:

	Number of underlying shares represented by RSUs	Weighted average fair value per RSU at grant date (HK$)
Outstanding as at 1 January 2026	**3,051,000**	**3.925**
Granted	**11,200,000**	**1.587**
Vested	**(2,181,000)**	**4.805**
Forfeited	**(230,000)**	**2.028**
Outstanding as at 30 June 2026	**11,840,000**	**1.588**
Outstanding as at 1 January 2025	5,204,100	5.426
Granted	1,050,000	1.430
Vested	(2,582,100)	5.709
Forfeited	(432,000)	3.509
Outstanding as at 30 June 2025	3,240,000	4.161

Notes to the Interim Condensed Consolidated Financial Information

23 SHARE-BASED PAYMENTS *(Continued)*

(b) Restricted Share Unit Scheme *(Continued)*

As the Group will receive employment or service of these employees in exchange for the grant of RSUs, share-based compensation expenses in respect of the employee services received are to be recognised as an expense over the vesting period. The total amount to be expensed is determined by the fair value of the RSUs granted at the grant date and taking into account the number of RSUs that are expected to be vested.

Prior to the completion of IPO, the Group had used the discounted cash flow method to determine the underlying equity fair value of the Company and to determine the fair value of the RSUs granted as at the respective grant date. Key assumptions, such as discount rate, risk-free interest rate and volatility, were determined by the Group with best estimate.

The fair value of the RSUs granted on 1 February 2021, 29 March 2021, 25 August 2021, 25 March 2022, 30 August 2022, 6 April 2023, 29 August 2023, 29 August 2024, 4 November 2024, 25 March 2025, 13 June 2025, 26 August 2025, 16 February 2026 and 26 June 2026 were determined using the market method with reference to the grant date closing share price of the Company. The fair values of the RSUs at the respective dates of grant are HK$21.50, HK$15.56, HK$8.53, HK$7.63, HK$3.84, HK$5.48, HK$3.45, HK$1.45, HK$1.54, HK$1.39, HK$1.67, HK$1.94, HK$1.51 and HK$1.87 per share, respectively.

(c) Expenses arising from share-based payment transactions

For the six months ended 30 June 2026 and 2025, share-based compensation expenses arising from the share-based awards granted by the Company have been charged to the interim condensed consolidated statement of profit or loss as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of revenue	**53**	123
Research and development expenses	**3,281**	2,870
Selling and marketing expenses	**586**	354
Administrative expenses	**460**	671
	4,380	4,018

Notes to the Interim Condensed Consolidated Financial Information

24 TRADE AND OTHER PAYABLES

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Trade payables	154,038	115,719
Payroll liabilities	43,828	65,087
Tax payables	4,214	17,376
Others	6,649	9,368
	208,729	207,550

The following table sets forth the carrying amount of trade payables by customer types:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Related parties (Note 26(c))	26,406	35,149
Third parties	127,632	80,570
	154,038	115,719

The aging analysis of trade payables based on recognition date is as follows:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Up to 6 months	128,713	86,259
6 months to 1 year	7,553	9,383
Over 1 year	17,772	20,077
	154,038	115,719

Notes to the Interim Condensed Consolidated Financial Information

25 COMMITMENTS

(a) Capital Commitments

The Group had no significant capital expenditure contracted for but not recognised as liabilities as at 30 June 2026 and 31 December 2025.

(b) Operating lease commitments

The Group has non-cancelable operating lease agreements with initial terms of 12 months or less. The portfolio of short-term leases to which the Group was committed as at 30 June 2026 and 31 December 2025 is similar to the portfolio of short-term lease to which the short-term lease expenses is disclosed in Note 15.

26 RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in other notes, the following significant transactions were carried out between the Group and its related parties. 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 related parties of the Group that had balances and/or transactions with the Group.

Company	Relationship
Shenzhen Tencent Computer Systems Company Limited	Subsidiary of a shareholder that has significant influence on the Group
Beijing Perfect World Software Technology Development Co., Ltd.	Subsidiary of a shareholder that has significant influence on the Group
Chengdu Perfect World Network Technology Co., Ltd.	Subsidiary of a shareholder that has significant influence on the Group
Tencent Cloud Computing (Beijing) Company Limited	Subsidiary of a shareholder that has significant influence on the Group
Shanghai Tencent Penguin Film Culture Communication Co., Ltd.	Subsidiary of a shareholder that has significant influence on the Group
Yuewen (Guangdong) Culture Communication Co., Ltd.	Subsidiary of a shareholder that has significant influence on the Group
Beijing Vega Interactive Network Technology Co., Ltd.	Associate of the Group
Huai’an FlameDragon Entertainment Software Co., Ltd.	Associate of the Group
Others (note)	Subsidiaries of shareholders that have significant influence on the Group and associate of the Group

Note:

These entities have insignificant related party transactions or balances with the Group during the current and the prior periods, and hence their transactions and balances have been grouped into “others” for the purpose of this disclosure note.

Notes to the Interim Condensed Consolidated Financial Information

26 RELATED PARTY TRANSACTIONS *(Continued)*

(b) Significant transactions with related parties

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Provision of services:		
Shenzhen Tencent Computer Systems Company Limited	**31,959**	38,424
Purchase of services:		
Tencent Cloud Computing (Beijing) Company Limited	**9,120**	9,538
Shanghai Tencent Penguin Film Culture Communication Co., Ltd.	**8,962**	11,986
Shenzhen Tencent Computer Systems Company Limited	**2,478**	3,543
Chengdu Perfect World Network Technology Co., Ltd.	**2,211**	2,526
Beijing Perfect World Software Technology Development Co., Ltd.	**1,105**	1,263
Others	**143**	1,293
	24,019	30,149
Purchase of intangible asset:		
Shanghai Tencent Penguin Film Culture Communication Co., Ltd.	**9,434**	–
Repayment of loan:		
Beijing Vega Interactive Network Technology Co., Ltd.	**–**	700

Notes to the Interim Condensed Consolidated Financial Information

26 RELATED PARTY TRANSACTIONS *(Continued)*

(c) Period/Year end balances with related parties

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Trade receivables:		
Shenzhen Tencent Computer Systems Company Limited	20,015	17,604
Others	39	39
	20,054	17,643

The receivables from related parties arise mainly from sale transactions. The receivables are unsecured and interest-free.

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Loan receivables:		
Huai'an FlameDragon Entertainment Software Co., Ltd.	2,827	2,827
Less: allowance for impairment	(2,827)	(2,827)
	–	–

The contract liabilities to related parties arise from trade transactions.

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Contract liabilities:		
Shenzhen Tencent Computer Systems Company Limited	557	1,114

Notes to the Interim Condensed Consolidated Financial Information

26 RELATED PARTY TRANSACTIONS *(Continued)*

(c) Period/Year end balances with related parties *(Continued)*

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Trade payables:		
Shanghai Tencent Penguin Film Culture Communication Co., Ltd.	13,968	9,581
Chengdu Perfect World Network Technology Co., Ltd.	7,317	9,546
Beijing Perfect World Software Technology Development Co., Ltd.	3,658	4,773
Tencent Cloud Computing (Beijing) Company Limited	1,435	1,547
Yuewen (Guangdong) Culture Communication Co., Ltd.	–	9,434
Others	28	268
	26,406	35,149

(d) Key management compensation

Key management includes executive directors and other members of the Company's senior management team. The compensation paid or payable to key management for employee services is shown below:

	Six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Basic salaries	10,368	10,433
Discretionary bonuses	1,728	1,560
Other social security costs and housing benefits and other employee benefits	312	300
Pension costs – defined contribution plans	262	251
Share-based compensation	66	121
	12,736	12,665

27 CONTINGENCIES

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

28 SUBSEQUENT EVENTS

There are no material subsequent events undertaken by the Group after 30 June 2026 and up to the date of this interim condensed consolidated financial information.

祖龙娱乐
ARCHOSAUR GAMES

祖龙娱乐有限公司
Archosaur Games Inc.