2026 INTERIM REPORT

feiyu

Feiyu Technology International Company Ltd.

飛魚科技國際有限公司

(Incorporated in the Cayman Islands with Limited Liability)

Stock Code： 1022

feiyu

To Better The Virtual World

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors
Mr. YAO Jianjun *(Chairman and Chief Executive Officer)*
Mr. CHEN Jianyu *(President)*
Mr. BI Lin *(Vice President)*
Mr. LIN Zhibin *(Vice President)*

Independent Non-executive Directors
Ms. LIU Qianli
Mr. LAI Xiaoling
Mr. CAO Xi

AUDIT COMMITTEE

Ms. LIU Qianli *(Chairwoman)*
Mr. LAI Xiaoling
Mr. CAO Xi

REMUNERATION COMMITTEE

Ms. LIU Qianli *(Chairwoman)*
Mr. BI Lin
Mr. LAI Xiaoling

NOMINATION COMMITTEE

Mr. YAO Jianjun *(Chairman)*
Ms. LIU Qianli
Mr. CAO Xi

AUTHORISED REPRESENTATIVES

Mr. BI Lin
Ms. LUI Mei Ka

JOINT COMPANY SECRETARIES

Ms. LUI Mei Ka
Ms. WEI Yulan

LEGAL ADVISERS

As to Hong Kong law:
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Central, Hong Kong

As to Cayman Islands law:
Conyers Dill & Pearman (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

AUDITORS

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Certified Public Accountants
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Hong Kong

REGISTERED OFFICE

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Grand Cayman KY1-1111
Cayman Islands

CORPORATE HEADQUARTERS

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Xiamen, Fujian Province, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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Hutchins Drive
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Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

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Wanchai, Hong Kong

PRINCIPAL BANKERS

The Industrial and Commercial Bank of China
Xiamen Branch, Siming sub-branch
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PRC

China Merchants Bank, Beijing branch
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Beijing, PRC

INVESTOR RELATIONS

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COMPANY'S WEBSITE

www.feiyuhk.com

STOCK CODE ON THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED

1022

DATE OF LISTING

5 December 2014

FINANCIAL HIGHLIGHTS

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six Months Ended 30 June		
	2026 (RMB'000) (Unaudited)	2025 (RMB'000) (Unaudited)	Change %
Revenue	**318,669**	451,353	(29.4)
Gross profit	**283,371**	428,324	(33.8)
(Loss)/Profit before tax	**(2,788)**	57,706	N/A
(Loss)/Profit for the period attributable to owners of the parent	**(3,603)**	57,520	N/A
Non-IFRSs Measures			
– Adjusted net (loss)/profit attributable to owners of the parent[1]	**(1,496)**	57,520	N/A
(LOSS)/PROFIT PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
– Basic & Diluted	**RMB(0.00)**	RMB0.03	

Note:

(1). We define adjusted net (loss)/profit attributable to owners of the parent as net (loss)/profit excluding share-based compensation. The term of adjusted net (loss)/profit attributable to owners of the parent is not defined under IFRSs. The use of adjusted net (loss)/profit attributable to owners of the parent has material limitations as an analytical tool as it does not include all items that would impact our net (loss)/profit attributable to owners of the parent for the year or accounting period.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As of 30 June 2026 (RMB'000) (Unaudited)	As of 31 December 2025 (RMB'000) (Audited)	Change %
Assets			
Non-current assets	**434,433**	449,185	(3.3)
Current assets	**392,540**	371,393	5.7
Total assets	**826,973**	820,578	0.8
Equity and liabilities			
Total equity	**594,167**	605,600	(1.9)
Non-current liabilities	**82,610**	86,602	(4.6)
Current liabilities	**150,196**	128,376	17.0
Total liabilities	**232,806**	214,978	8.3
Total equity and liabilities	**826,973**	820,578	0.8

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

OVERVIEW

The first half of 2026 presented a mixed landscape of challenges and opportunities for the Company. On the challenge front, intensifying competition coupled with persistently subdued consumer spending appetite and continued user-time diversion to alternative online entertainment formats, including short-form videos, live streaming and short dramas, weighed on engagement metrics. On the opportunity side, the regulatory environment for the gaming sector continued to improve, with game license approvals having become normalised and predictable. In parallel, the long-standing high revenue-sharing rates imposed by mobile operating platforms were finally reduced, unlocking meaningful margin headroom.

The HTML5 game sector, despite intensifying competition, has sustained rapid growth, offering sizable opportunities. The role of HTML5 games has evolved from time-fillers for fragmented user sessions toward more mid-core and premium content, with a pronounced winner-takes-all dynamic. Gameplay is converging across genres, and monetisation is becoming increasingly diversified, with a rising contribution from in-app purchases. In addition, HTML5 games now demonstrate strong cross-platform adaptation and interoperability, particularly between mobile games and their HTML5 version. Drawing on our 18-year track record in developing quality titles across multiple genres and platforms, we have built a robust portfolio since our strategic expansion into HTML5 games in late 2023. In the past few months, three of our HTML5 games ranked among the Top 50 on the Weixin mini-game best-selling list, which are *Yi Bu Liang Bu (一步兩步)* at 8th, *Ni Zhuan Hui He (逆轉回合)* at 27th, and *Shou Hua San Guo (獸化三國)* at 31st, respectively.

Against this backdrop, the Company's first-half financial performance reflected the dual impact of strategic investments and products' lifecycle dynamics. Total revenue was RMB318.7 million, representing a year-on-year decline of 29.4%. The decrease was primarily attributable to the natural lifecycle progression of *Yi Bu Liang Bu (一步兩步)*, our HTML5 title launched in August 2024, which experienced a breakout phase with exceptionally strong monetisation in 2025, and has since entered a more mature stage in the first half of this year, with a corresponding moderation in revenue contribution. Meanwhile, we also made investments in distribution campaigns of our games, particularly *Yi Bu Liang Bu (一步兩步)* on the occasion of its 2nd anniversary in June 2026 and *Ni Zhuan Hui He (逆轉回合)* upon its launch in March 2026. As such operational investment occurred and was recognised as expenses while revenue contributed by the newly acquired and reactivated users is expected to be delivered progressively in subsequent periods over their lifecycle, return driven by such investments has yet to be fully reflected in the Group's results for the first half of 2026. As a result, we had an interim loss attributable to owners of the parent of RMB3.6 million for the six months ended 30 June 2026. The loss, however, reflects our strategic commitment to building long-term growth drivers as we expect revenue contributions driven by such investments will materialise in following months and years.

Beyond our investments in HTML5 games, we remain deeply committed to the long-term live operations of our established titles, particularly our flagship intellectual property ("**IP**") franchises, including *Shen Xian Dao (神仙道)* and *Carrot Fantasy (保衛蘿蔔)* series. Among these, the *Carrot Fantasy (保衛蘿蔔)* series in particular, underpinned by its substantial user base and strong user loyalty, delivered advertising revenue nearly doubling year-on-year during the period. The sustained success of our legacy titles validates our strategy of concurrent R&D and live operations, demonstrating our ability to maximise the full lifecycle value of our portfolio.

The sustained success of our core IP franchises has also opened up an avenue for the development of IP-derived merchandise. In the first half of 2026, we continued to grow the *Carrot Fantasy (保衛蘿蔔)* brand with the rollout of three generations of ABO figurines, all of which have garnered strong recognition from the fan community.

Operationally, we proactively adopted AI tools and substantially boosted our development productivity. At the same time, we continued to attract top-tier talent across R&D and distribution, cultivating a culture of continuous learning and growth. Our people-centric approach is reinforced by effective incentive mechanisms and comprehensive employee benefits, so as to fully unlock team potential and sustain a high-performance organisational culture.

OUTLOOK FOR 2026

Looking ahead to the second half of 2026, we expect the operating environment to remain challenging, with intensifying competition and subdued consumer spending likely to persist for some time. Nevertheless, we see substantial untapped potential in the HTML5 game sector, which continues to offer meaningful growth space amid the broader market headwinds.

Our confidence is underpinned by a robust product pipeline scheduled for release in the coming months, including several HTML5 games spanning diverse gameplay genres, as well as a title across multiple platforms, including console, PC and mobile. In parallel, we will continue to execute our long-term live operations strategy for our established titles, maintaining regular content updates and introducing new gameplay features to enhance player retention and deepen user loyalty. These ongoing efforts, in turn, lay a solid foundation for further development of our IPs and their ultra long lifecycle management.

INTERIM DIVIDEND

The Board did not declare an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

FINANCIAL REVIEW

Operating Information

The Company's Games

During the first half of 2026, the Company remained committed to long-term operation of its esteemed IP portfolio, which includes *Carrot Fantasy (保衛蘿蔔)* and *Shen Xian Dao (神仙道)*, laying a strong foundation for potential sequels and multi-platform expansion. In addition, we continued to invest in R&D and distribution of HTML5 games, capitalising on the surge of this sector. The Company launched an HTML5 game named *Ni Zhuan Hui He (逆轉回合)* in March 2026. The game has received positive responses since launch and rose to Top 50 on the Weixin mini game best-selling list.

In addition, our existing HTML5 games have been delivering sustained strong performance. *Yi Bu Liang Bu (一步兩步)*, which was launched two years ago, regained the No.8 position on the Weixin mini game best-selling list in June 2026. Another HTML5 game *Shou Hua San Guo (獸化三國)* launched in March 2025, had recently entered the top 50 of the same chart. These achievements underscore the Company's capability to break the traditional "short-lived, quick-hit" stereotype that has long defined HTML5 games. The Company expected these HTML5 games will contribute sustainable and stable profitability in the coming periods.

The table below presents a breakdown of revenue from game operations in absolute amounts and as a percentage of total revenue:

	For the six months ended 30 June			
	2026		2025	
	(RMB'000)	**(% of Total Revenue)**	(RMB'000)	(% of Total Revenue)
Game Operations				
Web games	**3,570**	**1.1**	5,158	1.1
Mobile games				
RPGs	**17,695**	**5.5**	47,125	10.4
Casual	**33,943**	**10.7**	39,684	8.8
PC games	**845**	**0.3**	525	0.1
HTML5 games	**238,037**	**74.7**	334,879	74.2
Console games	**354**	**0.1**	366	0.1
Total	**294,444**	**92.4**	427,737	94.8

Revenue contributed by game operations was approximately RMB294.4 million for the six months ended 30 June 2026, representing a decrease of approximately 31.2% from approximately RMB427.7 million for the corresponding period in 2025. The decrease was primarily driven by *Yi Bu Liang Bu (一步兩步)* demonstrating its payback peak in the first half of 2025 and transitioning to a mature phase of its life cycle in 2026.

The Company's Players

The Company assesses its operating performance using a set of key performance indicators, which include MAUs, MPUs and ARPPU. Fluctuations in operating data were primarily a result of changes in the number of players who played, downloaded (in the case of mobile games and PC games) and paid for virtual items and premium features in the games. Using these key performance indicators helps the Company monitor its ability to offer engaging online games, the popularity of its games, the monetisation potential of its player base and the degree of competition in the online game industry, and as a result, it allows the Company to adjust its business strategies and continuously improve its products.

As at 30 June 2026, the Company's (i) RPG mobile games and web games had approximately 237.3 million cumulative registered users, comprising approximately 173.6 million web game users and approximately 63.7 million mobile game users; (ii) casual games had approximately 765.4 million cumulative activated downloads; (iii) HTML5 games had approximately 111.7 million cumulative registered users; (iv) PC games had approximately 2.5 million cumulative copies sold; and (v) console games had approximately 675,000 cumulative copies sold. For the month of June 2026, the Company's (i) RPG mobile games and web games had approximately 124,000 MAUs in total, comprising approximately 85,000 mobile game MAUs and approximately 39,000 web game MAUs respectively; and (ii) casual games had approximately 3.0 million MAUs; (iii) HTML5 games had approximately 6.8 million MAUs.

The following table sets forth certain operating statistics related to the Company's business for the periods indicated:

	Six Months Ended 30 June		
	2026	2025	**Change %**
Average MPUs			
Web games (RPGs) (000's)	**3**	4	(25.0)
Mobile games (RPGs) (000's)	**23**	39	(41.0)
Casual (000's)	**145**	148	(2.0)
HTML5 (000's)	**232**	167	38.9
ARPPU			
Web games (RPGs) (RMB)	**222.2**	208.3	6.7
Mobile games (RPGs) (RMB)	**130.4**	200.9	(35.1)
Casual (RMB)	**39.1**	45.0	(13.1)
HTML5 (RMB)	**171.0**	334.3	(48.8)

Note: Duplicated paying users of games published on the Company's own platforms were not eliminated during calculation.

MPUs for web games averaged approximately 3,000 for the six months ended 30 June 2026 as compared to approximately 4,000 for the six months ended 30 June 2025, primarily due to our web games reaching a more mature phase of their expected lifecycles. Average MPUs for mobile RPG games decreased by 41.0% from approximately 39,000 for the six months ended 30 June 2025 to approximately 23,000 for the six months ended 30 June 2026, primarily due to the *Shen Xian Dao (神仙道)* series entering the more mature stage of their expected lifecycles. Average MPUs for casual games were approximately 145,000 for the six months ended 30 June 2026, remaining steady as compared with approximately 148,000 for the six months ended 30 June 2025. Average MPUs for HTML5 games increased by 38.9% from approximately 167,000 for the six months ended 30 June 2025 to approximately 232,000 for the six months ended 30 June 2026, primarily driven by *Shou Hua San Guo (獸化三國)* which was launched in March 2025 and has been gradually ramping up in user engagement. *Ni Zhuan Hui He (逆轉回合)* launched in March 2026 also contributed to such increase.

ARPPU for web games increased by 6.7% from approximately RMB208.3 for the six months ended 30 June 2025 to approximately RMB222.2 for the six months ended 30 June 2026, primarily driven by higher ARPPU for *Shen Xian Dao (神仙道)*, which has been launched for nearly fifteen years and entered the mature stage of its expected lifecycle when loyal players are more willing to make in-game purchases. ARPPU for RPG mobile games decreased by 35.1% from approximately RMB200.9 for the six months ended 30 June 2025 to approximately RMB130.4 for the six months ended 30 June 2026, primarily due to the mobile version of *Shen Xian Dao (神仙道)* and *Shen Xian Dao III (神仙道3)* reaching the more mature stage of their expected lifecycles. ARPPU for casual games decreased by 13.1% from approximately RMB45.0 for the six months ended 30 June 2025 to approximately RMB39.1 for the six months ended 30 June 2026, primarily due to the *Carrot Fantasy (保衛蘿蔔)* game series, which was in its mature stage. ARPPU for HTML5 games was approximately RMB171.0 for the six months ended 30 June 2026 as compared with approximately RMB334.3 for the six months ended 30 June 2025, primarily due to *Yi Bu Liang Bu (一步兩步)* recording higher ARPPU at its monetisation peak in the first half of 2025.

As part of its business strategy, the Company continued to launch various in-game promotions and activities, release regular updates for premium games, and offer high-quality customer service, in order to enhance gaming experience and maintain user interest. The Company believes that these initiatives are vital for retaining active players and expanding the active player base of the Group.

First Half of 2026 compared with First Half of 2025

The following table sets forth the Group's income statement for the six months ended 30 June 2026 compared with the six months ended 30 June 2025.

	Six Months Ended 30 June		
	2026 (RMB'000)	2025 (RMB'000)	**Change %**
Revenue	**318,669**	451,353	(29.4)
Cost of sales	**(35,298)**	(23,029)	53.3
Gross profit	**283,371**	428,324	(33.8)
Other income and gains	**9,619**	7,851	22.5
Selling and distribution expenses	**(227,858)**	(314,420)	(27.5)
Administrative expenses	**(21,495)**	(21,913)	(1.9)
Research and development costs	**(38,815)**	(32,435)	19.7
Finance costs	**(1,644)**	(1,790)	(8.2)
Other expenses	**(6,667)**	(7,925)	(15.9)
Share of profits and losses of associates	**701**	14	4,907.1
(LOSS)/PROFIT BEFORE TAX	**(2,788)**	57,706	N/A
Income tax expenses	**(2,377)**	(1,164)	104.2
(LOSS)/PROFIT FOR THE PERIOD	**(5,165)**	56,542	N/A
Attributable to:			
Owners of the parent	**(3,603)**	57,520	N/A
Non-controlling interests	**(1,562)**	(978)	59.7

Revenue

The following table sets forth a breakdown of the Group's revenue for the six months ended 30 June 2026 and 2025:

	Six Months Ended 30 June			
	2026		2025	
	(RMB'000)	**(% of Total Revenue)**	(RMB'000)	(% of Total Revenue)
Game operations	**294,444**	**92.4**	427,737	94.8
Online game distribution	**–**	**0.0**	14	0.0
Licensing and IP-related income	**2,923**	**0.9**	4,917	1.1
Advertising revenue	**21,300**	**6.7**	18,638	4.1
Technical service income	**2**	**0.0**	47	0.0
Total	**318,669**	**100.0**	451,353	100.0

Total revenue decreased by 29.4% to approximately RMB318.7 million for six months ended 30 June 2026 from approximately RMB451.4 million for the six months ended 30 June 2025.

Revenue from game operations decreased by 31.2% to approximately RMB294.4 million for the six months ended 30 June 2026 from approximately RMB427.7 million for the six months ended 30 June 2025. The decrease was primarily due to the launch of *Yi Bu Liang Bu (一步兩步)* in August 2024, which reached its payback peak in the first half of 2025, and transitioned to a mature phase in 2026 when revenue declined. However, the decrease was partially offset by *Shou Hua San Guo (獸化三國)* launched in March 2025, which gradually ramped up in performance and generated meaningful revenue in the first half of 2026. The newly launched game *Ni Zhuan Hui He (逆轉回合)* also contributed to offsetting the decrease.

Licensing and IP-related income decreased by approximately 40.6% from approximately RMB4.9 million for the six months ended 30 June 2025 to approximately RMB2.9 million for the six months ended 30 June 2026. The decrease was primarily attributable to the recognition of a one-off licensing fee of approximately RMB1.1 million for the overseas mobile version of *Neon Abyss (霓虹深淵)* for the six months ended 30 June 2025, while there was no such one-off licensing fee recognised for the six months ended 30 June 2026.

Advertising revenue increased by approximately 14.3% from approximately RMB18.6 million for the six months ended 30 June 2025 to approximately RMB21.3 million for the six months ended 30 June 2026. The increase was primarily driven by the *Carrot Fantasy (保衛蘿蔔)* game series, which has demonstrated enduring player appeal and strong retention years after the initial launches.

Cost of sales

Cost of sales increased by 53.3% to approximately RMB35.3 million for the six months ended 30 June 2026 from approximately RMB23.0 million for the six months ended 30 June 2025. The increase was mainly attributable to staff costs increasing from approximately RMB16.0 million for the six months ended 30 June 2025 to approximately RMB22.7 million for the six months ended 30 June 2026 as a result of the Company's gradually increased staffing for distribution of HTML5 games since 2025.

The increase in cost of sales was also due to the recognition of IP licensing fees of approximately RMB2.2 million in connection with the collaboration between our HTML5 games and third-party IPs. In addition, driven by *Shou Hua San Guo (獸化三國)*, *Ni Zhuan Hui He (逆轉回合)* and other HTML5 games under testing, the increase in server expenses from approximately RMB4.4 million for the six months ended 30 June 2025 to approximately RMB6.0 million for the six months ended 30 June 2026 also contributed to such increase.

Gross profit and gross profit margin

Gross profit decreased by 33.8% to approximately RMB283.4 million for the six months ended 30 June 2026 from approximately RMB428.3 million for the six months ended 30 June 2025. Gross profit margin for the six months ended 30 June 2026 was 88.9%, decreasing 6.0 percentage points from 94.9% for the corresponding period in 2025.

Other income and gains

Other income and gains increased by 22.5% from approximately RMB7.9 million for the six months ended 30 June 2025, to approximately RMB9.6 million for the six months ended 30 June 2026. The increase was primarily attributable to the higher interest income from bank deposits resulting from the increased time-deposit. The increase was also attributable to the increased foreign exchange gains recognised during the six months ended 30 June 2026.

Selling and distribution expenses

Selling and distribution expenses decreased by 27.5% from approximately RMB314.4 million for the six months ended 30 June 2025, to approximately RMB227.9 million for the six months ended 30 June 2026. The decrease was mainly attributable to the decrease in distribution expenses from approximately RMB232.2 million for the six months ended 30 June 2025 to approximately RMB157.7 million for the six months ended 30 June 2026. The decrease in distribution expenses was primarily associated with *Yi Bu Liang Bu (一步兩步)* for which we invested heavily in user acquisition campaigns during the first half of 2025, whereas in the first half of 2026, except for a distribution campaign launched in June 2026 on the occasion of the game's 2nd anniversary, overall less investments in distribution were made as the game entered a mature stage. The decrease in distribution expenses was partially offset by operating expenses we incurred for the distribution of *Ni Zhuan Hui He (逆轉回合)*, the newly launched HTML5 game in March 2026. The decrease in selling and distribution expenses was also due to the decline in channel fees from approximately RMB80.2 million for the six months ended 30 June 2025 to approximately RMB67.8 million for the six months ended 30 June 2026, primarily as a result of the shift in the lifecycle of *Yi Bu Liang Bu (一步兩步)* from its payback peak in the first half of 2025 to a mature phase in the first half of this year.

Administrative expenses

Administrative expenses for the six months ended 30 June 2026 was approximately RMB21.5 million, which remained steady as compared with approximately RMB21.9 million for the six months ended 30 June 2025.

R&D costs

R&D costs increased by approximately 19.7% from approximately RMB32.4 million for the six months ended 30 June 2025 to approximately RMB38.8 million for the six months ended 30 June 2026. The increase was primarily attributable to the increase in staff costs from approximately RMB31.3 million for the six months ended 30 June 2025 to approximately RMB34.7 million for the six months ended 30 June 2026 as a result of the Company's increased investment in human resources for the development of HTML5 games. The increase was also attributable to the payment of commissioned development fees amounting to approximately RMB1.5 million to third party game developers in relation to development of HTML5 games. In addition, the increase in R&D costs was also due to the recognition of share-based compensation of approximately RMB1.0 million for the six months ended 30 June 2026 while there was no such expense recognised for the six months ended 30 June 2025.

Finance costs

Finance costs was approximately RMB1.6 million for the six months ended 30 June 2026, which remained steady as compared with approximately RMB1.8 million for the six months ended 30 June 2025.

Other expenses

Other expenses were approximately RMB6.7 million for the six months ended 30 June 2026, compared with approximately RMB7.9 million for the six months ended 30 June 2025. The decrease was primarily due to the recognition of a loss amounting to approximately RMB5.2 million for the six months ended 30 June 2025, which arose from the dissolution of a non-wholly-owned subsidiary, whereas no such expenses were recognised for the six months ended 30 June 2026. The decrease was partially offset by the fair value changes in the Company's financial assets at fair value through profit or loss.

Income tax expense

Income tax expenses increased by approximately 104.2% from approximately RMB1.2 million for the six months ended 30 June 2025, to approximately RMB2.4 million for the six months ended 30 June 2026. The increase was primarily attributable to a subsidiary of the Group, which had fully utilised its accumulated deductible losses after which became subject to income tax, reported higher taxable profits for the six months ended 30 June 2026 as compared with the same period last year.

Loss/Profit for the period

As a result of the above, loss for the six months ended 30 June 2026 was approximately RMB5.2 million, as compared to a profit of approximately RMB56.5 million for the six months ended 30 June 2025. Loss attributable to owners of the parent for the six months ended 30 June 2026 was approximately RMB3.6 million, as compared to a profit attributable to owners of the parent for the six months ended 30 June 2025 of approximately RMB57.5 million.

Non-IFRSs measures – Adjusted net (loss)/profit attributable to owners of the parent

In addition to the Company's consolidated financial statements that are presented in accordance with IFRSs, Feiyu also provides further information based on the adjusted net (loss)/profit attributable to owners of the parent as an additional financial measure. The Company presents this financial measure because it is used by management to evaluate financial performance by eliminating the impact of items that the Company does not consider indicative of business performance. The Company also believes that these non-IFRSs measures provide additional information to investors and others, helping them understand and evaluate the consolidated results of operations in the same manner as management, and to compare financial results across accounting periods and with those of various peer companies. For the six months ended 30 June 2026 and 2025, the Company defined the adjusted net (loss)/profit attributable to owners of the parent as net (loss)/profit attributable to owners of the parent excluding share-based compensation. The term of adjusted net (loss)/profit attributable to owners of the parent was not defined under IFRSs. The use of adjusted net (loss)/profit attributable to owners of the parent has material limitations as an analytical tool as it did not include all items that would impact net (loss)/profit attributable to owners of the parent for the accounting period.

	Six Months Ended 30 June		
	2026 (RMB'000) (unaudited)	2025 (RMB'000) (unaudited)	**Change %**
(Loss)/Profit for the period attributable to owners of the parent	**(3,603)**	57,520	N/A
Add:			
Share-based compensation	**2,107**	–	100%
Total	**(1,496)**	57,520	N/A

Financial Position

As at 30 June 2026, total equity of the Group was approximately RMB594.2 million, representing a decrease of approximately 1.9% from approximately RMB605.6 million as at 31 December 2025. The decrease was primarily attributable to the loss of approximately RMB5.2 million recorded for the six months ended 30 June 2026 and fair value changes in the Company's financial assets at fair value through other comprehensive income.

As at 30 June 2026, the Group had net current assets of approximately RMB242.3 million, which remained steady as compared with approximately RMB243.0 million as at 31 December 2025.

Liquidity and Financial Resources

	30 June 2026 (RMB'000)	31 December 2025 (RMB'000)	**Change %**
Cash at bank and on hand	**207,389**	221,195	(6.2)
Total	**207,389**	221,195	(6.2)

Total cash and cash equivalents were approximately RMB207.4 million as at 30 June 2026, compared with approximately RMB221.2 million as at 31 December 2025. The decrease was primarily due to the purchase of time deposits during the six months ended 30 June 2026.

As at 30 June 2026, approximately RMB34.5 million of financial resources (31 December 2025: RMB45.0 million) were held in deposits denominated in non-RMB currencies. The Company currently does not hedge transactions undertaken in foreign currencies, rather it manages foreign exchange exposure by limiting such exposure and constantly monitoring foreign currency levels. The Group adopts a prudent cash and financial management policy. In order to better control costs and minimise the cost of funds, the Group's treasury activities were centralised and cash was generally deposited at banks, denominated mostly in Renminbi, Hong Kong dollars and United States dollars.

As at 30 June 2026, the Group had aggregate bank loans of approximately RMB80.5 million (31 December 2025: RMB83.5 million), of which approximately RMB6.0 million is payable within one year, approximately RMB27.3 million is payable between one and five years and approximately RMB47.2 million is payable after five years. The Group had lease liabilities of approximately RMB2.0 million (31 December 2025: RMB2.7 million), of which approximately RMB1.5 million is payable within one year and approximately RMB0.5 million is payable between one and five years as set out in the agreements.

As at 30 June 2026, the Group's bank loans of approximately RMB80.5 million were used by the Company for the operation of the Company's R&D centre. The interest rate was approximately 3.5% per annum and the loans were secured by the land use rights, investment properties and building on the Land.

Significant Debt Investments at Fair Value Through Other Comprehensive Income, Equity Investments Designated at Fair Value Through Other Comprehensive Income, and Financial Assets at Fair Value Through Profit or Loss

As at 30 June 2026, the Company had debt investments at fair value through other comprehensive income, equity investments designated at fair value through other comprehensive income and financial assets at fair value through profit or loss of approximately RMB76.9 million (31 December 2025: RMB83.0 million), which represented the Company's investment in a straight bond issued by a reputable company with coupon rate of 2.25% per annum and equity interest held by the Group in six unlisted companies, one company listed on the National Equities Exchange And Quotations of the PRC and one company listed on Nasdaq Global Select Market.

The principal of the debt investments at fair value through other comprehensive income, equity investments designated at fair value through other comprehensive income, and financial assets at fair value through profit or loss as at 30 June 2026 were not protected.

According to the Company's current internal investment management policies, no less than 50% of total investments can be invested in risk-free or principal protected investments, while for the remainder, up to 50% of the total investments is invested in low-risk products. The Company has a diversified investment portfolio to mitigate risks. In addition, the abovementioned investments were made in line with the Company's effective capital and investment management policies and strategies.

Performance and Future Prospect of Significant Debt Investments at Fair Value Through Other Comprehensive Income, Equity Investments Designated at Fair Value Through Other Comprehensive Income, and Financial Assets at Fair Value Through Profit or Loss

Details of the Group's debt investments at fair value through other comprehensive income, equity investments designated at fair value through other comprehensive income, and financial assets at fair value through profit or loss as at 30 June 2026 are presented as follows:

(A) Straight Bonds

Name of the straight bonds	Notes	**Interest income recognised in consolidated statement of profit or loss for the six months ended 30 June 2026** (RMB'000)	**(Loss) on fair value changes recognised in consolidated statement of comprehensive income for the six months ended 30 June 2026** (RMB'000)	**Fair value as at 30 June 2026** (RMB'000)	**Percentage of total FVOCI and FVPL Investments as at 30 June 2026**	**Percentage of total assets of the Group as at 30 June 2026**
CHINLP Medium Term Note Programme ("**CHINLP**")	2	254	(1,474)	21,281	27.7%	2.6%

Notes:

1. The Group's investment in straight bonds has been accounted for as debt investments at fair value through other comprehensive income. The fair value of the straight bonds was estimated using a discounted cash flow valuation model based on the assumptions that were supported by observable market inputs. Please refer to note 16 to the financial statements for details of the investment in straight bonds.

2. On 15 July 2021, the Group invested in a bond issued by CLP Power Hong Kong Financing Limited ("**CLP Financing**") and guaranteed by CLP Power Hong Kong Limited ("**CLP HK**") with a nominal amount of US$3,500,000 at a consideration of US$3,542,000 (equivalent to approximately RMB23.0 million). The bond has a coupon interest rate of 2.25% per annum with a maturity period of 10 years.

   CLP Financing, the issuer, incorporated in the British Virgin Islands, is a wholly-owned subsidiary of the guarantor CLP HK. CLP Financing was established to raise financing for CLP HK. The net proceeds from the issue of CHINLP will be on-lent by CLP Financing to CLP HK to be used for general corporate purposes. CLP HK, established in 1901 in Hong Kong, is one of the only two electricity providers in Hong Kong, which supplies approximately 80% of the electricity consumed in Hong Kong. CLP Holdings Limited, the parent company of CLP HK was listed on the Main Board of the Stock Exchange in 1998 with the stock code of 00002. CLP Holdings Limited, together with its subsidiaries, namely the CLP Group, is an investor and operator in the Asia-Pacific energy sector. In Hong Kong, through CLP HK, it operates a vertically-integrated electricity supply business providing a highly-reliable supply of electricity. Outside Hong Kong, CLP Group holds investments in the energy sector in Mainland China, India, Southeast Asia, Taiwan, and Australia. Its diversified portfolio of power generation assets include coal, gas, nuclear and renewables (wind, hydro, solar) and energy storage.

   According to the interim report for the six months ended 30 June 2026 of CLP Holdings Limited, consolidated revenue of HK$42,856 million remained broadly stable compared with the first half of 2025, as increased revenue from Hong Kong and the Chinese Mainland was largely offset by lower revenue from EnergyAustralia's Energy business. CLP Group operating earnings before fair value movements increased 9.7% to HK$5,733 million for the first half of 2026, mainly driven by steady contributions of the regulated business in Hong Kong, improved earnings from the rest of the portfolio and corporate cost optimization. Total earnings for the first six months of this year increased to HK$5,997 million after taking into account the items affecting comparability, mainly the gain on divestment of Jhajjar Power Station in India.

   CLP Group delivered a resilient performance and maintained robust operations in the first half of 2026 despite ongoing geopolitical conflicts and volatile energy markets. Accordingly, the Group maintains a positive outlook on the prospects of the bond CHINLP.

(B) Unlisted Equity Investments

Company Name	Notes	**Percentage of Shareholdings as at 30 June 2026**	**(Loss)/gain on fair value changes recognised in consolidated statement of comprehensive income for the six months ended 30 June 2026** (RMB'000)	**Fair value as at 30 June 2026** (RMB'000)	**Percentage of total FVOCI and FVPL investments as at 30 June 2026**	**Percentage of the total assets of the Group as at 30 June 2026**
Xiamen eName Technology Co., Ltd. ("**eName**")	2	2%	148	29,722	38.6%	3.6%
Others	3	–	(874)	6,936	9.0%	0.8%

Notes:

1. The Group's unlisted equity investments have been accounted for as equity investments designated at fair value through other comprehensive income. The fair value of the unlisted equity investments was assessed by management or employed by other available methods.

2. eName is a company listed on China New Third Board (Stock Code: 838413) principally engaged in domain related businesses and providing domain registration, transfer and transaction services for internet customers. It is a well-known domain service provider in China.

   Pursuant to eName's annual report for the year ended 31 December 2025, eName recorded revenue of approximately RMB303.7 million for the year ended 31 December 2025, reflecting a 13.46% increase compared with revenue of approximately RMB267.7 million for the year ended 31 December 2024. Net profit attributable to shareholders was approximately RMB22.3 million for the year ended 31 December 2025, reflecting a 36.54% increase from RMB16.3 million for the year ended 31 December 2024. The increase was primarily driven by more active trading activities compared with the corresponding period.

   eName has established a leading position in the domain transaction and service industry through mature technical support, convenient transaction procedure and humanized service management. eName adhered to expand its domain name business and achieved transaction growth through increased promotional efforts during the period. The Group is therefore optimistic about the domain service market in China and the performance of eName in the future.

3. Others comprised four unlisted limited liability companies and none of these investments accounted for more than 0.5% of the total assets of the Group as at 30 June 2026.

(C) Unlisted Debt Investments

Company Name	Notes	Percentage of Shareholdings as at 30 June 2026	(Loss) on fair value changes recognised in consolidated statement of profit or loss for the six months ended 30 June 2026 (RMB'000)	Fair value as at 30 June 2026 (RMB'000)	Percentage of total FVOCI and FVPL investments as at 30 June 2026	Percentage of the total assets of the Group as at 30 June 2026
Future Capital Discovery Fund II, L.P. ("**Future Capital**")	2	1.8797%	(2,846)	17,007	22.1%	2.1%
Others	3	–	(680)	1,078	1.4%	0.1%

Notes:

1. The Group's unlisted debt investments have been accounted for as financial assets at fair value through profit or loss. The fair value of the unlisted debt investments was assessed by management or employed by other available methods.

2. Future Capital is an unlisted limited partnership principally engaged in investment in companies which are primarily in the sectors of intelligent system, auto system and information technology to achieve earnings in the form of medium to long term capital appreciation. The aggregate investment cost of the investment in Future Capital was USD1,452,197.91. As at 30 June 2026, the Company held approximately 1.8797% partnership interests in Future Capital.

   Pursuant to Future Capital's financial statements for the six months ended 30 June 2026, Future Capital recorded income of approximately US$160 and net decrease in partners' capital resulting from operations of approximately US$23.6 million. The decrease in partners' capital resulting from operations was primarily due to a decrease in fair value changes on several Future Capital's investments. Future Capital expected to realise its investments at a later stage in order to enjoy a higher capital appreciation.

   Future Capital is more than an investor; it is a company builder with a long-term orientation and a strong commitment to enabling the next generation of technology leaders. Its strategy integrates deep technical expertise, early alignment with exceptional founders, and conviction to support innovation from inception through scale. The Group therefore maintains a highly positive outlook on Future Capital's business prospects.

3. Others comprised one unlisted debt investments and accounted for 0.1% of the total assets of the Group as at 30 June 2026.

(D) Listed Equity Investment

Company Name	Notes	**Percentage of Shareholdings as at 30 June 2026**	**(Loss) on fair value changes recognised in consolidated statement of profit or loss for the six months ended 30 June 2026** (RMB'000)	**Fair value as at 30 June 2026** (RMB'000)	**Percentage of total FVOCI and FVPL investments as at 30 June 2026**	**Percentage of the total assets of the Group as at 30 June 2026**
Li Auto Inc. ("**Li Auto**")	2	–	(376)	877	1.1%	0.1%

Notes:

1. The Group's listed equity investment has been accounted for as financial assets at fair value through profit or loss. The fair value of the listed equity investment was determined based on the publicly available market price.

2. Li Auto is a company listed on the Nasdaq Global Select Market (Stock Code: LI) and the Hong Kong Stock Exchange (Stock Code: 02015). Li Auto is a leader in China's new energy vehicle market, which designs, develops, manufactures, and sells premium smart electric vehicles. On 2 October 2024, Future Capital distributed a total of 10,526 Li Auto American depositary shares ("**LIADSs**") to the Company. As at 30 June 2026, the Company held 10,526 LIADSs.

   Pursuant to Li Auto's unaudited financial results for the quarter ended June 30, 2026, Li Auto recorded total revenue of RMB25.7 billion in the second quarter of 2026, representing a decrease of 15.1% from RMB30.2 billion in the second quarter of 2025. Li Auto recorded net loss of RMB1,705.3 million in the second quarter of 2026 as compared with a net income of RMB1,096.9 million in the second quarter of 2025. Li Auto also recorded diluted net loss per ADS attributable to ordinary shareholders of RMB1.69 in the second quarter of 2026, compared with net earnings of RMB1.03 in the second quarter of 2025.

   The revenue of Li Auto in the second quarter of 2026 decreased year on year, primarily attributable to lower vehicle deliveries and a lower average selling price driven by shifts in product mix. Li Auto recorded a net loss in the second quarter amid the major model refresh cycle for the product line. Li Auto sacrificed short term profitability to press ahead with the comprehensive upgrade of its Li L series and the refresh of its battery electric vehicle lineup, with all new Li L8 launched for delivery in June 2026 and new Li L6 rolled out in July 2026.

   The Group believes that with management's outlook for gross margin expansion in the second half of 2026, a robust cash position of RMB87.5 billion as at June 30, 2026, robust order flow from new Li L6, and long term investment in proprietary AI technologies represented by the world's first dynamic data flow AI chip, Li Auto will convey solid confidence in its long term value to the market, and its future business prospects remain positive.

There was no impairment made for any investments in debt instruments for the six months ended 30 June 2026. Investments in equity instruments did not involve any separate impairment accounting under IFRS 9 – Financial Instruments.

Other significant investments held, significant acquisitions and disposal of subsidiaries, associates and joint ventures and future plans for material investments or capital assets

Save as disclosed in this interim report, there were no other significant investments held, nor were there material acquisitions or disposals of subsidiaries, associates and joint ventures during the six months ended 30 June 2026. Except for those disclosed in this interim report, there was no plan authorised by the Board for other significant investments or acquisitions of major capital assets or other businesses in the first half of 2026. However, the Group will continue to identify new opportunities for business development.

Gearing ratio

The Group's gearing ratio, which is calculated based on total liabilities divided by total assets, was 28.2% as at 30 June 2026 and 26.2% as at 31 December 2025, respectively.

Capital expenditures

The following table sets forth the Group's capital expenditures for the six months ended 30 June 2026 and 2025:

	Six Months Ended 30 June		
	2026 (RMB'000)	2025 (RMB'000)	**Change %**
Property, plant and equipment	**3,805**	1,819	109.2%
Total	**3,805**	1,819	109.2%

Capital expenditures consisted of property, plant and equipment which include but are not limited to office equipment, company vehicles for employees' use and leasehold improvements. The total capital expenditures for the six months ended 30 June 2026 were approximately RMB3.8 million, compared with RMB1.8 million for the six months ended 30 June 2025, representing an increase of approximately 109.2%. The increase was mainly attributable to the increase in facility upgrades and renovation costs needed to seat our growing headcount. The increase was also attributable to the increase in purchase of company vehicles.

Pledge of Assets

As at 30 June 2026, bank loans of approximately RMB80.5 million (under a loan facility of up to RMB100.0 million) were used for the operation of the Company's R&D centre. The bank loans were secured by the land use rights, investment properties and building on the Land with a total carrying value of approximately RMB230.0 million.

Contingent liabilities and guarantees

As at 30 June 2026, the Company did not have any unrecorded significant contingent liabilities, guarantees or any litigation with claims made against it.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2026, the Company had 489 full-time employees, the majority of whom were based in Xiamen, Fujian Province of the PRC. The following table sets forth the number of employees categorised by function as at 30 June 2026:

	Number of Employees	**% of Total**
Development	245	50.1
Operations	167	34.1
Administration	60	12.3
Sales and marketing	17	3.5
Total	489	100.0

The remuneration of the Group's employees is determined based on their performance, experience, competence and market comparables. Their remuneration package includes salaries, bonuses related to the Group's performance, allowances, equity settled share-based payments and state-managed retirement benefit schemes for employees in the PRC. The Company also provides customised training programs to its staff to enhance their technical and product knowledge and support their career progression.

The remuneration of Directors and members of senior management is determined on the basis of each individual's responsibilities, qualifications, position, experience, performance, seniority and time devoted to the Group's business. They receive compensation in the form of salaries, bonuses, share options, RSUs, and other allowances and benefits-in-kind, including the Company's contribution to their pension scheme on their behalf. The remuneration policy of the Directors and the senior management is reviewed by the Remuneration Committee and approved by the Board.

In addition, the Group has currently adopted the 2024 Share Option Scheme and 2024 Restricted Share Unit Scheme as long-term incentive schemes.

OTHER INFORMATION AND CORPORATE GOVERNANCE HIGHLIGHTS

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

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

Long positions in Shares

Name of Director/ chief executive	Capacity	Number of ordinary shares held (long position)	Approximate percentage of shareholding[6] %
YAO Jianjun	Founder of a discretionary trust Interest of controlled corporation and Beneficial owner [1 and 2]	492,115,000	28.13
CHEN Jianyu	Founder of a discretionary trust Interest of controlled corporation [1 and 3]	161,538,000	9.23
BI Lin	Founder of a discretionary trust Interest of controlled corporation [1 and 4]	77,405,500	4.42
LIN Zhibin	Founder of a discretionary trust Interest of controlled corporation [1 and 5]	37,390,500	2.14

Notes:

1 As at 30 June 2026, TMF (Cayman) Ltd. is the trustee of The Yao Family Trust, The Bi Family Trust, The Chen Family Trust and The Zhi Family Trust.

2 These interests represented:

(a) 10,716,000 Shares held directly by Mr. YAO; and

(b) 481,399,000 Shares held by YAO Holdings Limited. The entire share capital of YAO Holdings Limited is wholly owned by Jolly Spring International Limited, as nominee of TMF (Cayman) Ltd., the trustee of The Yao Family Trust, which was established by Mr. YAO Jianjun (as the settlor) on 13 August 2014 as a discretionary trust for the benefit of Mr. YAO and his family members. Mr. YAO (as founder of The Yao Family Trust) and Jolly Spring International Limited are taken to be interested in 481,399,000 shares held by YAO Holdings Limited pursuant to Part XV of the SFO.

3 The entire share capital of Fishchen Holdings Limited is wholly owned by Honour Gate Limited, as nominee of TMF (Cayman) Ltd., the trustee of The Chen Family Trust, which was established by Mr. CHEN Jianyu (as the settlor) on 13 August 2014 as a discretionary trust for the benefit of Mr. CHEN and his family members. Mr. CHEN (as founder of The Chen Family Trust) and Honour Gate Limited are taken to be interested in 161,538,000 Shares held by Fishchen Holdings Limited pursuant to Part XV of the SFO.

4 The entire share capital of BILIN Holdings Limited is wholly owned by Rayoon Limited, as nominee of TMF (Cayman) Ltd., the trustee of The Bi Family Trust, which was established by Mr. BI Lin (as the settlor) on 13 August 2014 as a discretionary trust for the benefit of Mr. BI and his family members. Mr. BI (as founder of The Bi Family Trust) and Rayoon Limited are taken to be interested in 77,405,500 Shares held by BILIN Holdings Limited pursuant to Part XV of the SFO.

5 The entire share capital of LINCHEN Holdings Limited is wholly owned by Sheen Field Limited, as the nominee of TMF (Cayman) Ltd., the trustee of The Zhi Family Trust, which was established by Mr. LIN Zhibin on 13 August 2014 as a discretionary trust for the benefit of Mr. LIN and his family members. Mr. LIN (as founder of The Zhi Family Trust) and Sheen Field Limited are taken to be interested in 37,390,500 Shares held by LINCHEN Holdings Limited pursuant to Part XV of the SFO.

6 The percentage is calculated on the basis of 1,749,442,062 Shares in issue as at 30 June 2026.

Save as disclosed above, as at 30 June 2026, so far as is known to any Directors or chief executives of the Company, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or (b) to be entered in the register required to be kept by the Company pursuant to section 352 of the SFO, or (c) as otherwise to be notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE SCHEMES

The Post-IPO Share Option Scheme and RSU Plan II were terminated with effect from 24 May 2024. Upon termination of the Post-IPO Share Option Scheme, no further options may be granted. All 5,400,000 outstanding share options under the Post-IPO Share Option Scheme would continue to be valid and exercisable in accordance with the principal terms of the Post-IPO Share Option Scheme. Upon termination of the RSU Plan II, no further awards may be granted. No RSU had been granted under the RSU Plan II from the date of its adoption up to the date of its termination. The Company adopted the 2024 Share Option Scheme and the 2024 Restricted Share Unit Scheme at the extraordinary general meeting held on 24 May 2024 reflecting the latest changes and requirements under Chapter 17 of the Listing Rules.

No options or rewards were granted under the 2024 Share Option Scheme and the 2024 Restricted Share Unit Scheme during the six months ended 30 June 2026.

The table below sets out details of the outstanding options granted to the grantees under the Post-IPO Share Option Scheme and their movements during the six months ended 30 June 2026:

						Number of Shares				
Name	Date of Grant	Vesting schedule	Option period	Exercise price	Closing price immediately before the date on which the options were granted	Granted on the date of grant	Outstanding as at 1/1/2026	Exercised during the six months ended 30/6/2026	Cancelled/ Lapsed during the six months ended 30/6/2026	Outstanding as at 30/6/2026
Senior management										
Ms. XU Yiqing	27/3/2017	25% of options on 31 December 2017, 2018, 2019 and 2020 respectively	10 years from the date of grant	HK$1.256	HK$1.24	3,000,000[1]	3,000,000	–	–	3,000,000
Ms. WEI Yulan	27/3/2017	25% of options on 31 December 2017, 2018, 2019 and 2020 respectively	10 years from the date of grant	HK$1.256	HK$1.24	600,000[1]	600,000	–	–	600,000
Other Grantees										
9 other grantees	27/3/2017	25% of options on 31 December 2017, 2018, 2019 and 2020 respectively	10 years from the date of grant	HK$1.256	HK$1.24	3,560,000[1]	2,200,000	–	(400,000)	1,800,000
Total							**5,800,000**		**(400,000)**	**5,400,000**

Note:

1) On 27 March 2017, 10,160,000 share options were granted to two senior management and other 10 eligible participants with exercise price of HK$1.256 per Share, which represents the highest of: (i) the closing price of HK$1.23 per Share as stated in the daily quotation sheets issued by the Stock Exchange on the date of grant of the Share Options, i.e. 27 March 2017; (ii) the average of the closing price of HK$1.256 per Share as stated in the daily quotation sheets issued by the Stock Exchange for the five (5) business days immediately preceding the date of grant of the Share Options; and (iii) the nominal value of a Share of US$0.0000001.

As at 30 June 2026, the total number of outstanding share options granted under the 2024 Share Option Scheme was 124,240,000, which represented approximately 7.10% of the Shares in issue as at 30 June 2026. The number of options available for grant under the existing scheme mandate limit of the 2024 Share Option Scheme as at 30 June 2026 was 50,704,206 Shares (as at 1 January 2026: 49,204,206 Shares).

The table below sets out details of the share options granted to the grantees under the 2024 Share Option Scheme and movements during the six months ended 30 June 2026:

Name	Date of Grant	Vesting schedule	Option period	Exercise price	Closing price immediately before the date on which the options were granted	Granted on the date of grant	Number of Shares: Outstanding as at 1/1/2026	Granted during the six months ended 30/6/2026	Exercised during the six months ended 30/6/2026	Cancelled/ Lapsed during the six months ended 30/6/2026	Outstanding as at 30/6/2026
Senior management											
Ms. Xu	25/7/2025	20% of options on 31 July 2026, 2027, 2028, 2029 and 2030 respectively	6 years from the date of grant	HK$0.380	HK$0.380	15,000,000	15,000,000	–	–	–	15,000,000
Ms. Wei	25/7/2025	20% of options on 31 July 2026, 2027, 2028, 2029 and 2030 respectively	6 years from the date of grant	HK$0.380	HK$0.380	2,500,000	2,500,000	–	–	–	2,500,000
Other Grantees											
Other grantees	25/7/2025	See Note 2	6 years from the date of grant	HK$0.380	HK$0.380	108,240,000	108,240,000	–	–	(1,500,000)	108,240,000
Total						**125,740,000[1]**	**125,740,000**			**(1,500,000)**	**124,240,000**

Notes:

1) On 25 July 2025, 125,740,000 share options were granted to two senior management and other eligible employees with exercise price of HK$0.380 per Share, which represents the highest of: (i) the closing price of HK$0.380 per Share as stated in the daily quotation sheets issued by the Stock Exchange on the Grant Date; (ii) the average closing price of HK$0.346 per Share as stated in the daily quotation sheets issued by the Stock Exchange for the five (5) business days immediately preceding the Grant Date; and (iii) the nominal value of US$0.0000001 per Share. For details, please refer to the Company's announcements dated 25 July 2025 and 30 July 2025.

2) These share options will vest by tranches in accordance with the following schedule:

   i. the first tranche of 10,760,000 share options granted (of which 9,760,000 share options are subject to performance targets) will vest on 31 July 2026;

   ii. the second tranche of 19,180,000 share options granted (of which 18,180,000 share options are subject to performance targets) will vest on 31 July 2027;

   iii. the third tranche of 26,100,000 share options granted (of which 25,100,000 share options are subject to performance targets) will vest on 31 July 2028;

   iv. the fourth tranche of 26,100,000 share options granted (of which 25,100,000 share options are subject to performance targets) will vest on 31 July 2029; and

   v. the remaining tranche of 26,100,000 share options granted (of which 25,100,000 share options are subject to performance targets) will vest on 31 July 2030.

   The performance targets are certain annual financial performance targets of the responsible projects or respective departments as determined by the Board for the five years ending 31 December 2025, 2026, 2027, 2028 and 2029. Fulfillment of the performance targets will be assessed based on pre-determined financial performance indicators.

SUMMARY OF THE 2024 SHARE OPTION SCHEME

1.	**Purpose**	To provide incentives or rewards for the participants for their contribution to the Group.
2.	**Eligible Participants**	(i) the Employee Participants, (ii) the Related Entity Participants, and (iii) the Service Providers.
3.	**Maximum number of shares**	The total number of Shares which may be issued in respect of all options and awards to be granted under the 2024 Share Option Scheme and any other share schemes of the Company shall not in aggregate exceed 174,944,206, representing 10% of the total number of Shares in issue as of 24 May 2024 (the "**Scheme Mandate Limit under the 2024 Share Option Scheme**"). As at the date of this interim report, the total number of shares available for issue under the 2024 Share Option Scheme and any other share schemes of the Company was 50,704,206, representing approximately 2.90% of the total number of issued Shares as at the date of this interim report. The Service Provider Sublimit for the 2024 Share Option Scheme, being a sublimit under the Scheme Mandate Limit for the 2024 Share Option Scheme, is the total number of Shares which may be issued in respect of all options and awards to be granted to the Service Providers under the 2024 Share Option Scheme and any other share schemes of the Company, which shall not in aggregate exceed 1% of the total number of Shares in issue on the adoption date (i.e. 24 May 2024). As at 30 June 2026, the total number of options and awards available for grant under the Scheme Mandate Limit for the 2024 Share Option Scheme was 50,704,206 (as at 1 January 2026: 49,204,206); and the total number of options and awards available for grant under the Service Provider Sublimit for the 2024 Share Option Scheme was 17,494,420 (as at 1 January 2026: 17,494,420).
4.	**Option period**	An option may be exercised in accordance with the terms of the 2024 Share Option Scheme at any time during the period as notified by the Board to each grantee provided that such period of time shall not exceed a period of ten years from the date of grant.
5.	**Vesting period**	Not less than twelve (12) months from the date of grant of the share option, unless the Board determines in its sole discretion that the options granted to employee participants may be less than 12 months under specific circumstances under the rules of the 2024 Share Option Scheme.
6.	**Amount on acceptance of the option**	A non-refundable amount of HK$1.00 shall be paid by an eligible participant in favour of the company on acceptance of an offer of the share option.
7.	**Basis of determining the exercise price**	Exercise price shall be the higher of: (1) the official closing price of the Shares as stated on the Stock Exchange's daily quotations sheets on the date of offer of option; (2) average of the official closing prices of the Shares stated on the Stock Exchange's daily quotation sheets for the 5 business days before the date of offer; and (3) nominal value of a Share.
8.	**Effective period**	It shall be valid and effective for 10 years from 24 May 2024 (i.e. until 24 May 2034).

SUMMARY OF THE 2024 RESTRICTED SHARE UNIT SCHEME

1.	**Purpose**	To provide incentives or rewards for the participants for their contribution to the Group.
2.	**Eligible Participants**	(i) the Employee Participants, (ii) the Related Entity Participants, and (iii) the Service Providers.
3.	**Maximum number of shares**	The total number of Shares which may be issued in respect of all options and awards to be granted under the 2024 Restricted Share Unit Scheme and any other share schemes of the Company shall not in aggregate exceed 174,944,206, representing 10% of the total number of Shares in issue as of 24 May 2024 (the "**Scheme Mandate Limit for the 2024 Restricted Share Unit Scheme**"). As at the date of this interim report, the total number of shares available for issue under the 2024 Restricted Share Unit Scheme and any other share schemes of the Company was 50,704,206, representing approximately 2.90% of the total number of issued Shares as at the date of this interim report. The Service Provider Sublimit for the 2024 Restricted Share Unit Scheme, being a sublimit under the Scheme Mandate Limit for the 2024 Restricted Share Unit Scheme, is the total number of Shares which may be issued in respect of all options and awards to be granted to the Service Providers under the 2024 Restricted Share Unit Scheme and any other share schemes of the Company, which shall not in aggregate exceed 1% of the total number of Shares in issue on the adoption date (i.e. 24 May 2024). As at 30 June 2026, the total number of options and awards available for grant under the Scheme Mandate Limit for the 2024 Restricted Share Unit Scheme was 50,704,206 (as at 1 January 2026: 49,204,206); and the total number of options and awards available for grant under the Service Provider Sublimit for the 2024 Restricted Share Unit Scheme was 17,494,420 (as at 1 January 2026: 17,494,420).
4.	**Award period**	An award may be granted by the Board from time to time during the period commencing from the adoption date (i.e. 24 May 2024) and ending on the business day immediately prior to 10th anniversary of the adoption date (the "**Award Period**"). No award may be granted after the Award Period or after the 2024 Restricted Share Unit Scheme has been terminated in accordance with the provisions of the 2024 Restricted Share Unit Scheme.
5.	**Vesting period**	Not less than twelve (12) months from the date of grant of the award, unless the Board determines in its sole discretion that the options granted to employee participants may be less than 12 months under specific circumstances under the rules of the 2024 Restricted Share Unit Scheme.
6.	**Amount on acceptance of the award**	No acceptance price of the award will be payable on the acceptance of such an award.
7.	**Purchase price**	The purchase price of the award shares (if any) shall be such price determined by the Board, the committee of the Board, or person(s) to which the Board has delegated its authority from time to time based on considerations such as the prevailing closing price of the Shares, the purpose of the award and the characteristics and profile of the selected participant.
8.	**Effective period**	It shall be valid and effective for 10 years from 24 May 2024 (i.e. until 24 May 2034).

INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2026, the following persons (other than the Directors and chief executives of the Company) had or were deemed or taken to have an interest and/or short position in the shares or the underlying shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company under section 336 of the SFO, or who was, directly or indirectly, interested in 5% or more of the issued share capital of the Company.

Name of Shareholder	Capacity	Number of ordinary Shares held (long position)	Approximate percentage of shareholding[6] %
TMF (Cayman) Ltd. [1]	Trustee of the family trusts	817,563,000	46.73
YAO Holdings Limited [2]	Beneficial owner	481,399,000	27.52
Jolly Spring International Limited [2]	Interest in a controlled corporation	481,399,000	27.52
Mr. YAO Jianjun [3]	Founder of a discretionary trust Interest in a controlled corporation and Beneficial owner	492,115,000	28.13
Fishchen Holdings Limited [4]	Beneficial owner	161,538,000	9.23
Honour Gate Limited [4]	Interest in a controlled corporation	161,538,000	9.23
Mr. CHEN Jianyu [4]	Founder of a discretionary trust Interest in a controlled corporation	161,538,000	9.23
Tencent Holdings Limited [5]	Interest in a controlled corporation	261,882,607	14.97

Notes:

1 As at 30 June 2026, TMF (Cayman) Ltd. is the trustee of The Yao Family Trust, The Bi Family Trust, The Chen Family Trust and The Zhi Family Trust.

2 The entire share capital of YAO Holdings Limited is wholly owned by Jolly Spring International Limited, as nominee of TMF (Cayman) Ltd., the trustee of The Yao Family Trust, which was established by Mr. YAO Jianjun (as the settlor) on 13 August 2014 as a discretionary trust for the benefit of Mr. YAO and his family members. Mr. YAO (as founder of The Yao Family Trust) and Jolly Spring International Limited are taken to be interested in 481,399,000 Shares held by YAO Holdings Limited pursuant to Part XV of the SFO.

3 These interests represented:

(a) 10,716,000 Shares held directly by Mr. YAO; and

(b) 481,399,000 Shares held by YAO Holdings Limited. The entire share capital of YAO Holdings Limited is wholly owned by Jolly Spring International Limited, as nominee of TMF (Cayman) Ltd., the trustee of The Yao Family Trust, which was established by Mr. YAO Jianjun (as the settlor) on 13 August 2014 as a discretionary trust for the benefit of Mr. YAO and his family members. Mr. YAO (as founder of The Yao Family Trust) and Jolly Spring International Limited are taken to be interested in 481,399,000 shares held by YAO Holdings Limited pursuant to Part XV of the SFO.

4 The entire share capital of Fishchen Holdings Limited is wholly owned by Honour Gate Limited, as nominee of TMF (Cayman) Ltd., the trustee of The Chen Family Trust, which was established by Mr. CHEN Jianyu (as the settlor) on 13 August 2014 as a discretionary trust for the benefit of Mr. CHEN and his family members. Mr. CHEN (as founder of The Chen Family Trust) and Honour Gate Limited are taken to be interested in 161,538,000 Shares held by Fishchen Holdings Limited pursuant to Part XV of the SFO.

5 Tencent holds 261,882,607 Shares indirectly through its wholly-owned subsidiary, THL H Limited, a company incorporated under the laws of British Virgin Islands.

6 The percentage is calculated on the basis of 1,749,442,062 Shares in issue as at 30 June 2026.

Other than as disclosed above, as at 30 June 2026, the Directors have not been notified by any person (other than the Directors or chief executives of the Company) who had interests or short position in the shares or underlying shares of the Company as recorded in the register required to be kept pursuant to section 336 of the SFO.

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

During the six months ended 30 June 2026, neither the Company, its subsidiaries nor any of the PRC Operating Entities has purchased, sold or redeemed any of the Company's listed securities.

SUFFICIENCY OF THE PUBLIC FLOAT

Based on the information publicly available and to the best of the Directors' knowledge, information and belief on the date of this interim report, the Company has always maintained a sufficient public float as required under the Listing Rules throughout the six months ended 30 June 2026 and up to the date of this interim report.

OTHER INFORMATION AND CORPORATE GOVERNANCE HIGHLIGHTS

Compliance with the Corporate Governance Code

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of Shareholders and to enhance corporate value and accountability. Save as disclosed herein below, the Company has complied with all applicable code provisions under the CG Code during the six months ended 30 June 2026.

Code provision C.2.1 of the CG Code stipulates the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. YAO Jianjun serves as the Chairman and Chief Executive Officer of the Company. In view of Mr. YAO Jianjun's extensive experience in the industry, personal profile and role in the Group and its historical development, the Board believes that it is appropriate and beneficial to the business prospects of the Group that Mr. YAO Jianjun acts as both Chairman and Chief Executive Officer. Furthermore, the Board believes that vesting the roles of both Chairman and Chief Executive Officer in an experienced and qualified person such as Mr. YAO Jianjun would provide strong and consistent leadership, allowing the Company to more effectively plan and implement business decisions and strategies. Besides, all major decisions have been made in consultation with members of the Board, which comprises experienced and high caliber individuals, appropriate Board committees, as well as the senior management team. The Board is, therefore, of the view that there are adequate checks and balances in place. Nevertheless, the Board will continue to monitor and review the Company's current structure and make necessary changes at an appropriate time.

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the CG Code, and maintain a high standard of corporate governance practices of the Company.

The Board

The Board currently comprises seven Directors, including four Executive Directors, viz, Mr. YAO Jianjun, Mr. CHEN Jianyu, Mr. BI Lin and Mr. LIN Zhibin; and three Independent Non-executive Directors with at least one Independent Non-executive Director possessing appropriate professional qualifications, or accounting or related financial management expertise, viz, Ms. LIU Qianli, Mr. LAI Xiaoling and Mr. CAO Xi.

During the six months ended 30 June 2026 and up to the date of this interim report, there were no changes to the composition of the Board.

Model Code for Securities Transactions

The Company has adopted the Model Code as its own code of conduct for dealing in securities of the Company by the Directors.

Having made specific enquiry with all Directors, the Company confirmed that all members of the Board complied with the Model Code during the six months ended 30 June 2026.

Senior management, executives and staff who, because of their offices in the Company are likely to possess inside information, have also been requested to comply with the Model Code for securities transactions. No incident of non-compliance with the Model Code by such employees was noted by the Company during the six months ended 30 June 2026.

Review of Interim Results

The Audit Committee, comprising three Independent Non-executive Directors, has reviewed the unaudited interim results of the Group for the six months ended 30 June 2026 and considered that they were prepared in compliance with the relevant accounting standards, and that the Company has made appropriate disclosure thereof.

The unaudited interim results of the Group for the six months ended 30 June 2026 have been reviewed by Ernst & Young, the external auditors of the Company.

Change in Directors' Biographical Details under Rule 13.51B(1) of the Listing Rules

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in Directors' biographical details since the date of the 2025 annual report of the Company are as follows:

(i) Mr. Bi Lin (畢林), an Executive Director, has been acting as director of Guangzhou Feiyu Xingkong Technology Co., Ltd. (廣州飛魚星空科技有限公司) since 23 April 2026.

Save as disclosed above, there is no other change in the Directors' biographical details which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the date of the 2025 annual report of the Company and up to the date of this interim report.

INDEPENDENT REVIEW REPORT

To the board of directors of Feiyu Technology International Company Ltd.
(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 32 to 65, which comprises the condensed consolidated statement of financial position of Feiyu Technology International Company Ltd. (the "Company") and its subsidiaries (the "Group") as at 30 June 2026 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and 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* ("IAS 34") as issued by International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young
Certified Public Accountants
27/F, One Taikoo Place
979 King's Road Quarry Bay
Hong Kong

28 August 2026

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026

	Notes	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
REVENUE	4	**318,669**	451,353
Cost of sales		**(35,298)**	(23,029)
Gross profit		**283,371**	428,324
Other income and gains	4	**9,619**	7,851
Selling and distribution expenses		**(227,858)**	(314,420)
Administrative expenses		**(21,495)**	(21,913)
Research and development costs		**(38,815)**	(32,435)
Finance costs		**(1,644)**	(1,790)
Other expenses		**(6,667)**	(7,925)
Share of profits and losses of associates	13	**701**	14
(LOSS)/PROFIT BEFORE TAX	5	**(2,788)**	57,706
Income tax expense	6	**(2,377)**	(1,164)
(LOSS)/PROFIT FOR THE PERIOD		**(5,165)**	56,542
Attributable to:			
Owners of the parent		**(3,603)**	57,520
Non-controlling interests		**(1,562)**	(978)
		(5,165)	56,542
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	8		
Basic			
For (loss)/profit for the period		**RMB(0.00)**	RMB0.03
Diluted			
For (loss)/profit for the period		**RMB(0.00)**	RMB0.03

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
(LOSS)/PROFIT FOR THE PERIOD	**(5,165)**	56,542
OTHER COMPREHENSIVE (LOSS)/INCOME		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Debt investments at fair value through other comprehensive income:		
Changes in fair value	**(583)**	(1,323)
Exchange differences:		
Exchange differences on translation of foreign operations	**(7,159)**	(505)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	**(7,742)**	(1,828)
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	**(726)**	(3,208)
Income tax effect	**93**	–
	(633)	(3,208)
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	**(633)**	(3,208)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**(8,375)**	(5,036)
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD	**(13,540)**	51,506
Attributable to:		
Owners of the parent	**(11,965)**	52,487
Non-controlling interests	**(1,575)**	(981)
	(13,540)	51,506

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2026

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	9	60,818	58,839
Investment properties	10	193,118	196,489
Right-of-use assets	11	30,508	31,700
Goodwill	12	11,427	11,427
Other intangible assets		76	91
Investments in associates	13	14,761	14,060
Deferred tax assets		4,446	4,002
Prepayments, other receivables and other assets	15	13,626	10,826
Time deposits	18	23,239	40,000
Equity investments designated at fair value through other comprehensive income	16	36,658	37,384
Debt investments at fair value through other comprehensive income	16	21,281	22,755
Financial assets at fair value through profit or loss	16	18,085	21,612
Other non-current assets		6,390	–
Total non-current assets		434,433	449,185
CURRENT ASSETS			
Time deposit due within one year	18	81,856	50,000
Accounts receivable and receivables due from third-party game distribution platforms and payment channels	14	66,833	57,690
Prepayments, other receivables and other assets	15	34,307	40,056
Other current assets		1,278	1,199
Financial assets at fair value through profit or loss	16	877	1,253
Cash and cash equivalents	17	207,389	221,195
Total current assets		392,540	371,393
CURRENT LIABILITIES			
Trade and bills payables		–	12
Other payables and accruals	19	115,158	100,577
Interest-bearing bank loans	20	6,000	6,000
Lease liabilities		1,430	1,425
Tax payable		7,384	7,387
Contract liabilities	21	20,224	12,975
Total current liabilities		150,196	128,376
NET CURRENT ASSETS		242,344	243,017
TOTAL ASSETS LESS CURRENT LIABILITIES		676,777	692,202

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2026

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
NON-CURRENT LIABILITIES			
Interest-bearing bank loans	20	74,500	77,500
Lease liabilities		533	1,259
Deferred tax liabilities		5,790	5,559
Contract liabilities	21	1,787	2,284
Total non-current liabilities		82,610	86,602
Net assets		594,167	605,600
EQUITY			
Equity attributable to owners of the parent			
Share capital	22	1	1
Share premium	22	604,624	604,624
Reserves		(19,674)	(9,816)
		584,951	594,809
Non-controlling interests		9,216	10,791
Total equity		594,167	605,600

YAO Jianjun
Director

CHEN Jianyu
Director

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to owners of the parent										
	Share capital RMB'000	Share premium RMB'000	Statutory reserve RMB'000	Equity-settled share-based payment reserve RMB'000	Other reserve RMB'000	Financial assets revaluation reserve RMB'000	Exchange fluctuation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 31 December 2025 (audited)	1	604,624	41,038	151,374	328,091	(7,202)	39,398	(562,515)	594,809	10,791	605,600
Loss for the period	–	–	–	–	–	–	–	(3,603)	(3,603)	(1,562)	(5,165)
Other comprehensive loss for the period:											
Changes in fair value of equity investments designated at fair value through other comprehensive loss, net of tax	–	–	–	–	–	(633)	–	–	(633)	–	(633)
Changes in fair value of debt investments at fair value through other comprehensive loss, net of tax	–	–	–	–	–	(583)	–	–	(583)	–	(583)
Exchange differences on translation of foreign operations	–	–	–	–	–	–	(7,146)	–	(7,146)	(13)	(7,159)
Total comprehensive loss for the period	–	–	–	–	–	(1,216)	(7,146)	(3,603)	(11,965)	(1,575)	(13,540)
Equity-settled share option arrangements	–	–	–	2,107	–	–	–	–	2,107	–	2,107
Appropriation to statutory reserves	–	–	5,227	–	–	–	–	(5,227)	–	–	–
At 30 June 2026 (unaudited)	1	604,624	46,265*	153,481*	328,091*	(8,418)*	32,252*	(571,345)*	584,951	9,216	594,167

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to owners of the parent										
	Share capital RMB'000	Share premium RMB'000	Statutory reserve RMB'000	Equity-settled share-based payment reserve RMB'000	Other reserve RMB'000	Financial assets revaluation reserve RMB'000	Exchange fluctuation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 31 December 2024 (audited)	1	604,624	29,661	149,146	324,419	(20,957)	39,370	(656,442)	469,822	12,758	482,580
Profit for the period	–	–	–	–	–	–	–	57,520	57,520	(978)	56,542
Other comprehensive loss for the period:											
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	–	–	–	–	–	(3,208)	–	–	(3,208)	–	(3,208)
Changes in fair value of debt investments at fair value through other comprehensive income, net of tax	–	–	–	–	–	(1,323)	–	–	(1,323)	–	(1,323)
Exchange differences on translation of foreign operations	–	–	–	–	–	–	(502)	–	(502)	(3)	(505)
Total comprehensive income for the period	–	–	–	–	–	(4,531)	(502)	57,520	52,487	(981)	51,506
Liquidation of a subsidiary	–	–	–	–	3,672	–	–	–	3,672	–	3,672
Appropriation to statutory reserves	–	–	2,084	–	–	–	–	(2,084)	–	–	–
At 30 June 2025 (unaudited)	1	604,624	31,745*	149,146*	328,091*	(25,488)*	38,868*	(601,006)*	525,981	11,777	537,758

* These reserve accounts comprise the consolidated deficit in reserves of RMB19,674,000 (for the six months ended 30 June 2025: RMB78,644,000) in the consolidated statement of financial position.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Notes	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:			
(Loss)/profit before tax		**(2,788)**	57,706
Adjustments for:			
Finance costs		**1,644**	1,790
Interest income	4	**(2,165)**	(2,348)
Depreciation of property, plant and equipment	5	**1,712**	1,501
Depreciation of right-of-use assets	5	**1,173**	1,115
Amortisation of other intangible assets	5	**15**	15
Gain on disposal of items of property, plant and equipment	5	**(101)**	–
Fair value losses/(gains), net:			
Financial assets at fair value through profit or loss	5	**3,097**	(977)
Changes in fair value of investment properties	5	**3,371**	2,332
Loss on disposal of a subsidiary	5	**–**	5,197
Share of profits of associates	13	**(701)**	(14)
Equity settled share option expense		**2,107**	–
		7,364	66,317
Increase in accounts receivable and receivables due from third-party game distribution platforms and payment channels		**(9,143)**	(11,716)
Increase in prepayments, other receivables and other assets		**(8,300)**	(666)
Increase/(decrease) in other payables and accruals		**15,710**	(20,847)
Decrease in accounts payable		**(12)**	–
Decrease in other current assets		**331**	899
Increase in other non-current assets		**(6,390)**	–
Increase in in contract liabilities		**6,752**	3,062
Cash generated from operations		**6,312**	37,049
Interest paid		**(1,644)**	(1,931)
Income tax paid		**(2,500)**	(1,125)
Net cash flows generated from operating activities		**2,168**	33,993

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Notes	**2026 RMB'000 (Unaudited)**	2025 RMB'000 (Unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received		**1,949**	1,147
Purchases of items of property, plant and equipment		**(4,934)**	(1,819)
Proceeds from disposal of items of property, plant and equipment		**219**	–
Purchase of an investment property		**–**	(51,368)
Dividend received from a financial asset at fair value through profit or loss		**–**	1,352
Investment in associate		**–**	(250)
Purchase of financial assets at fair value through profit or loss		**(786,150)**	(82,320)
Proceeds from disposal of financial assets		**786,520**	82,735
Placement of time deposits		**(30,000)**	–
Withdraw of time deposits		**20,000**	–
Dividends received from associates		**–**	220
Net cash flows used in investing activities		**(12,396)**	(50,303)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of bank loans		**(3,000)**	(3,000)
Principal portion of lease payments		**(702)**	(286)
Net cash flows used in financing activities		**(3,702)**	(3,286)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(13,930)**	(19,596)
Cash and cash equivalents at beginning of period		**221,195**	100,687
Effect of foreign exchange rate changes, net		**124**	(1,232)
Cash and cash equivalents at end of period		**207,389**	79,859
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents as stated in the statement of financial position	17	**207,389**	79,859

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

1. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

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

The nature and impact of the amended IFRS Accounting Standard are described below:

(a) Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. Since the Group's accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information. The Group will provide additional disclosures for its equity investments designated at fair value through other comprehensive income in the Group's consolidated financial statements for the year ending 31 December 2026.

(b) Amendments to HKFRS 9 and HKFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. As the Group did not have any contracts that are in the scope of the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

(c) Annual Improvements to HKFRS Accounting Standards – Volume 11 set out narrow scope *amendments to HKFRS 1, HKFRS 7* (and the accompanying Guidance on implementing HKFRS 7), HKFRS 9, HKFRS 10 and HKAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding HKFRS Accounting Standards. The amendments did not have any impact on the interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION

Information about geographical areas

Since no revenue or operating profit from transactions with a single geographical area other than Chinese Mainland accounted for 10% or more of the Group's revenue and all of the Group's identifiable assets and liabilities were located in Mainland China, no geographical segment information in accordance with IFRS 8 Operating Segments is presented.

Information about major customers

No revenue from the Group's sales to a single customer amounted to 10% or more of the Group's revenue for the six months ended 30 June 2026 (2025: Nil).

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue from contracts with customers	**318,669**	451,353

4. REVENUE, OTHER INCOME AND GAINS (Continued)

Revenue from contracts with customers

(a) *Disaggregated revenue information*

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Types of goods or services		
Game operations	294,444	427,737
– Gross basis	248,683	390,454
– Net basis	45,761	37,283
Online game distribution	–	14
Licensing income	1,357	3,047
Advertising revenue	21,300	18,638
Sale of goods	1,566	1,870
Technical service income	2	47
Total revenue from contracts with customers	318,669	451,353
Timing of revenue recognition		
Services transferred over time	4,214	2,735
Services and goods transferred at a point of time	314,455	448,618
Total revenue from contracts with customers	318,669	451,353

4. REVENUE, OTHER INCOME AND GAINS (Continued)

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Other income		
Government grants	319	551
Interest income	2,165	2,348
Gross rental income from investment property operating leases	3,343	3,076
Total other income	5,827	5,975
Gains		
Fair value gains:		
Financial assets	186	1,113
Gain on disposal of items of property, plant and equipment	101	–
Foreign exchange gains	3,493	119
Other gains	12	644
Total other income and gains	9,619	7,851

5. (LOSS)/PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Channel costs	67,848	80,158
Distribution expenses	157,706	232,176
Outsource fee	1,575	187
Depreciation of property, plant and equipment	1,712	1,501
Depreciation of right-of-use assets	1,173	1,115
Amortisation of other intangible assets	15	15
Lease payments not included in the measurement of lease liabilities	1,247	1,199
Gain on disposal of items of property, plant and equipment	(101)	–
Fair value losses/(gains), net:		
Financial assets at fair value through profit or loss	3,097	(977)
Changes in fair value of investment properties, net	3,371	2,332
Loss on disposal of a subsidiary	–	5,197
Exchange difference, net	(3,493)	(119)

6. INCOME TAX EXPENSE

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and accordingly is not subject to income tax.

Under the relevant income tax law, the PRC subsidiaries were subject to income tax at a statutory rate of 25% for the year on their respective taxable income, except for Xiamen Yidou, Xiamen Xiyu and Xiamen Feiyu, which were certified as High and New Technology Enterprises ("HNTEs") and entitled to a preferential income tax rate of 15% from 2024 to 2027, an Kailuo Tianxia, and Xiamen Feixin which were certified as High and New Technology Enterprises ("HNTEs") in 2025 and entitled to a preferential income tax rate of 15% from 2025 to 2028. No provision for Hong Kong profits tax has been made as the Company did not generate any assessable profits arising in Hong Kong during the period (2025: Nil).

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax	**2,497**	1,199
Deferred tax	**(120)**	(35)
Total tax charge for the period	**2,377**	1,164

7. DIVIDEND

The Board does not recommend the payment of an interim dividend to the ordinary equity holders of the Company for the six months ended 30 June 2026 (for the six months ended 30 June 2025: Nil).

8. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss/earnings per share amount is based on the loss/profit for the period attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares of 1,749,442,062 (for the six months ended 30 June 2025: 1,749,442,062) outstanding during the period, as adjusted to reflect the share issuance during the period.

The calculation of the diluted loss/earnings per share amount is based on the loss/profit for the period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number ordinary shares outstanding during the period, as used in the basic loss/earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

	2026 (Unaudited)	2025 (Unaudited)
Earnings		
(Loss)/profit attributable to ordinary equity holders of the parent, used in the basic (loss)/earnings per share calculation (RMB'000):	**(3,603)**	57,520
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic (loss)/earnings per share calculation	**1,749,442,062**	1,749,442,062
	1,749,442,062	1,749,442,062

Because the diluted loss per share amount is decreased when taking share options into account, share options had an anti-dilutive effect on 2026 diluted loss per share. Therefore, the diluted loss per share amounts are based on the loss for the period of RMB3,603,000 and the weighted average number of ordinary shares of 1,749,442,062 outstanding during the period.

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired items of property, plant and equipment with a cost of RMB3,805,000 (for the six months ended 30 June 2025: RMB1,819,000). Depreciation for items of property, plant and equipment was RMB1,712,000 during the period (for the six months ended 30 June 2025: RMB1,501,000).

During the six months ended 30 June 2026, disposal of property, plant and equipment amounting was RMB118,000 (for the six months ended 30 June 2025: Nil).

10. INVESTMENT PROPERTIES

	30 June 2026 RMB'000 (Unaudited)
Carrying amount at 1 January	196,489
Net loss from a fair value adjustment	(3,371)
Carrying amount at 30 June	193,118

The Group's investment properties are commercial properties in Chinese Mainland. The directors of the Company have determined that the investment properties are commercial properties based on the nature, characteristics and risks of the property.

Fair value hierarchy

	Fair value measurement as at 30 June 2026 using		
	Quoted price in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000
Recurring fair value measurement for:			
Commercial property	–	–	193,118

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2025: Nil).

11. LEASES

During the six months ended 30 June 2026, there was no addition of right-of-use assets (six months ended 30 June 2025: RMB3,900,000). The depreciation incurred during the period amounting to RMB1,173,000 (six months ended 30 June 2025: RMB1,115,000).

12. GOODWILL

	RMB'000
At 31 December 2025 and 30 June 2026:	
Cost	432,278
Accumulated impairment*	(420,851)
Net carrying amount	11,427

* The Group recognised an accumulated full impairment amounting to RMB419,441,000 (2025: RMB419,441,000) for Carrot Fantasy cash-generating unit, Shenzhen Zhangxin cash-generating unit, Chengdu Guangcheng cash-generating unit and Jiong Xi You cash-generating unit and an accumulated impairment amounting to RMB1,410,000 (2025: RMB1,410,000) for Veewo cash-generating unit in prior years.

13. INVESTMENT IN ASSOCIATES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Share of net assets	5,820	5,119
Goodwill on acquisition	8,941	8,941
Total	14,761	14,060

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	30 June 2026 RMB'000 (Unaudited)	30 June 2025 RMB'000 (Unaudited)
Share of the associates' profits and losses for the period	701	14

14. ACCOUNTS RECEIVABLE AND RECEIVABLES DUE FROM THIRD-PARTY GAME DISTRIBUTION PLATFORMS AND PAYMENT CHANNELS

The Group's credit terms with customers generally range from one month to three months. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its receivable balances. These receivables are non-interest-bearing.

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

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 3 months	**66,833**	57,690

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

The balances consist of receivables from third parties which have no recent history of default and past due amounts. As at 30 June 2026 and 31 December 2025, the expected credit loss was assessed to be minimal.

15. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Prepayments	**8,863**	8,796
Prepaid income tax	**2,625**	2,556
Prepaid value-added tax and other taxes	**4,736**	5,215
Deposits and other receivables	**43,571**	46,975
Loans to employees	**14,620**	13,840
	74,415	77,382
Impairment allowance	**(26,482)**	(26,500)
Total	**47,933**	50,882

16. DEBT INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME, EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME AND FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

		30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Debt investments at fair value through other comprehensive income			
Straight bonds	(1)	21,281	22,755
Equity investments designated at fair value through other comprehensive income			
Unlisted equity investments, at fair value	(2)	36,658	37,384
Financial assets at fair value through profit or loss			
Unlisted debt investments, at fair value	(3)	18,085	21,612
Listed equity investment, at fair value	(4)	877	1,253
		18,962	22,865

(1) On 15 July 2021, the Group invested in a bond issued by CLP Power Hong Kong Financing Limited with a nominal amount of US$3,500,000 for a consideration of US$3,542,000 (equivalent to approximately RMB23.0 million). The bond has a coupon interest rate of 2.25% per annum with a maturity period of 10 years.

(2) The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature, which represented equity investments in one company listed on the National Equities Exchange And Quotations of the PRC, and four unlisted entities incorporated in the PRC and Singapore.

(3) The above unlisted debt investments represented the investments in two unlisted limited partnerships.

(4) The listed equity investment, which represented an equity investment in a company listed on the Nasdaq Global Select Market was classified as a financial asset at fair value through profit or loss as it was held for trading.

The financial statements were approved and authorised by the board of the directors on 28 August 2026.

17. CASH AND CASH EQUIVALENTS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Cash and bank balances	171,212	217,944
Time deposits	36,177	3,251
Cash and cash equivalents	207,389	221,195
Denominated in RMB	172,898	176,186
Denominated in US$	31,604	1,280
Denominated in HK$	1,861	42,681
Denominated in SG$	1,026	1,048
Cash and cash equivalents	207,389	221,195
Unrestricted cash and cash equivalents	207,389	221,195

The RMB is not freely convertible into other currencies, however, under the Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

18. TIME DEPOSITS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Current	81,856	50,000
Non current	23,239	40,000

Non-current time deposits represent deposits over one year. As at 30 June 2026, non-current time deposits of RMB20,000,000 carried at a fixed interest rate of 1.95% per annum with maturity from January 2028 to January 2029.

19. OTHER PAYABLES AND ACCRUALS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Salaries and welfare payables	28,987	73,657
Other payables and accruals	81,467	20,640
Other tax payables	4,341	5,978
Advances from customers	363	302
Total	115,158	100,577

20. INTEREST-BEARING BANK LOANS

	As at 30 June 2026			As at 31 December 2025		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Current						
Current portion of long-term bank loans – secured	3.50%	2026	6,000	3.50%	2026	6,000
Non-current						
Bank loans – secured	3.50%	2027–2038	74,500	3.50%	2027–2038	77,500
Total			80,500			83,500

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Analysed into:		
Bank loans and overdrafts repayable:		
Within one year or on demand	6,000	6,000
In the second year	6,250	6,000
In the third to fifth years, inclusive	21,000	20,750
Beyond five years	47,250	50,750
Total	80,500	83,500

20. INTEREST-BEARING BANK LOANS (Continued)

Notes:

(a) The Group's long term loan facility amounted to RMB80,500,000 (2025: RMB83,500,000), of which RMB80,500,000 (2025: RMB83,500,000) had been drawn as at 30 June 2026.

(b) The Group's headquarters building, investment property and leasehold land were pledged for the long term loan facility granted to the Group at 30 June 2026. The loan will be repaid year by year in accordance with the contracts. RMB1,500,000 is repayable every 3 months from 15 June 2023 to 15 March 2028 and RMB1,750,000 is repayable every 3 months from 15 June 2028 to 15 March 2038.

21. CONTRACT LIABILITIES

Details of contract liabilities as at 30 June 2026 and 31 December 2025 are as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Current advances received		
Online web and mobile games	**6,127**	4,674
Licensing income	**14,097**	8,301
	20,224	12,975
Non-current advances received		
Licensing income	**1,787**	2,284
	1,787	2,284
Total	**22,011**	15,259

Contract liabilities mainly represented unconsumed virtual currencies, virtual items from players and the remaining upfront licensing fees for online game services from game distribution platforms, for which the related services had not been rendered as at 30 June 2026.

22. SHARE CAPITAL

Shares

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Issued and fully paid:		
1,749,442,062 (2025: 1,749,442,062) ordinary shares	1	1

A summary of movements in the Company's share capital is as follows:

	Number of issued and fully paid ordinary shares	Nominal value of ordinary shares RMB'000	Share premium RMB'000	Total RMB'000
At 1 January 2025, 31 December 2025, 1 January 2026 and 30 June 2026	1,749,442,062	1	604,624	604,625

23. EQUITY-SETTLED SHARE-BASED PAYMENT

Share option schemes

The Company approved and adopted a pre-IPO share option scheme (the "Pre-IPO Share Option Scheme") and a post-IPO share option scheme (the "Post-IPO Share Option Scheme", together as the "Schemes") pursuant to shareholders' written resolutions and directors' written resolution passed on 17 November 2014. The purpose of the Schemes is to provide rewards to eligible participants for their service to the Group. Eligible participants include any full-time employees, consultants, executives or officers of the Company and any of its subsidiaries who, in the sole opinion of the Board, have contributed or will contribute to the Group.

The total number of ordinary shares subject to the Pre-IPO Share Option Scheme is 105,570,000. On 17 November 2014, under the Pre-IPO Share Option Scheme, share options were granted to 2 members of senior management and 120 other employees to subscribe for 105,570,000 shares at an exercise price of HK$0.55 per share. All share options granted will be vested equally in four tranches as to 25% of the aggregate number of shares on 31 December 2015, 2016, 2017 and 2018, respectively. Each option granted if not exercised subsequently expired on 5 December 2019.

The maximum number of shares to be issued upon exercise of all share options to be granted under the Post-IPO Share Option Scheme and any other scheme of the Company shall not in aggregate exceed 150,000,000 shares and 30% of the shares of the Company in issue from time to time. On 27 March 2017, under the Post-IPO Share Option Scheme, share options were granted to employees to subscribe for 10,160,000 shares at an exercise price of HK$1.256 per share. 7,160,000 share options granted will be vested equally in four tranches as to 25% of the number of shares on 31 December 2017, 2018, 2019 and 2020, respectively. 3,000,000 share options granted will be vested in three tranches as to 50%, 25% and 25% of the number of shares on 30 June 2017, 2018 and 2019, respectively. Each option granted if not exercised subsequently will expire on 26 March 2027. On 15 May 2017, under the Post-IPO Share Option Scheme, share options were granted to employees to subscribe for 5,000,000 shares at an exercise price of HK$1.1 per share. All share options granted will be vested equally in four tranches as to 25% of the aggregate number of shares on 15 May 2018, 2019, 2020 and 2021, respectively. Each option granted if not exercised subsequently will expire on 14 May 2027. On 13 November 2017, under the Post-IPO Share Option Scheme, share options were granted to one member of senior management to subscribe for 15,000,000 shares at an exercise price of HK$1.026 per share. All share options granted will be vested equally in three tranches as to 33% of the aggregate number of shares on 13 November 2018, 2019 and 2020, respectively. Each option granted if not exercised subsequently will expire on 12 November 2027. On 1 January 2020, under the Post-IPO Share Option Scheme, share options were granted to employees to subscribe for 22,000,000 shares at an exercise price of HK$0.1804 per share. 10,000,000 share options granted will be vested in three tranches as to 10%, 40%, 50% of the number of shares on 31 December 2020, 2021 and 2022, respectively. 12,000,000 share options granted will be vested equally in three tranches as to 33% of the number of shares on 31 December 2020, 2021 and 2022, respectively. Each option granted if not exercised subsequently will expire on 21 January 2023. On 8 May 2020, under the Post-IPO Share Option Scheme, share options were granted to employees to subscribe for 90,000,000 shares at an exercise price of HK$0.1804 per share. 50,000,000 share options granted will be vested in three tranches as to 20%, 30%, 50% of the number of shares on 31 December 2020, 2021 and 2022, respectively. 18,000,000 share options granted will be vested in two tranches as to 44%, 56% of the number of shares on 31 December 2021 and 2022, respectively. 22,000,000 share options granted will be vested in three tranches as to 32%, 32%, 36% of the number of shares on 31 December 2020, 2021 and 2022, respectively. Each option granted if not exercised subsequently will expire on 21 January 2024.

23. EQUITY-SETTLED SHARE-BASED PAYMENT (Continued)

Share option schemes (continued)

On 25 July 2025, under the 2024 Share Option Scheme, share options were granted to employees to subscribe for 125,740,000 shares at an exercise price of HK$0.38 per share. 125,740,000 share options granted will be vested in five tranches on 31 July 2026, 2027, 2028, 2029 and 2030, respectively. Each option granted will subsequently expire on 24 July 2031 if not exercised.

The following share options were outstanding under the Schemes during the period/year:

	2026 Weighted average exercise price HK$ per share	2026 Number of options '000
At 1 January	0.42	131,540
Forfeited during the period	0.38	(11,500)
At 30 June	0.42	120,040

	2025 Weighted average exercise price HK$ per share	2025 Number of options '000
At 1 January	1.26	5,800
Granted during the year	0.38	125,740
At 31 December	0.42	131,540

23. EQUITY-SETTLED SHARE-BASED PAYMENT (Continued)

Share option schemes (continued)

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

30 June 2026

Number of options '000	Exercise price* HK$ per share	Exercise period
5,800	1.26	31–12–2017 to 26–03–2027
114,240	0.38	31–07–2026 to 24–07–2031
120,040		

31 December 2025

Number of options '000	Exercise price* HK$ per share	Exercise period
5,800	1.26	31–12–2017 to 26–03–2027
125,740	0.38	31–07–2026 to 24–07–2031
131,540		

* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

At the end of the reporting period, the Company had 120,040,000 share options outstanding under the Schemes. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 120,040,000 additional ordinary shares of the Company, an additional share capital of approximately RMB82 and a share premium of approximately RMB43,789,430.

At the date of approval of these financial statements, the Company had 120,040,000 share options outstanding under the Schemes, which represented 6.86% of the Company's shares in issue as at that date.

Share option expense amounting to RMB2,107,000 was recognised by the Group for the six months ended 30 June 2026 (for the six months ended 30 June 2025: Nil).

24. COMMITMENTS

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

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Contracted, but not provided for:		
Game operation	**8,255**	3,527

25. RELATED PARTY TRANSACTIONS

(a) Name and relationship of related parties

Name	**Relationship**
Mr. Yao Jianjun	Shareholder of the Company
Mr. Chen Jianyu	Shareholder of the Company
Xiamen Good Game Island Technology Co., Ltd. ("Xiamen Good Game Island")	Associate
Xiamen Huanmiao Technology Co., Ltd. ("Xiamen Huanmiao")	Associate
Tencent Holdings Limited and its subsidiaries ("Tencent")	Shareholder of the Company
Xiamen Xianglian Technology Co., Ltd. ("Xianglian")	Significantly influenced by Mr. Yao Jianjun
Xiamen Plump Fish Cultural Media Co., Ltd. ("Xiamen Plump Fish")	Significantly influenced by Mr. Chen Jianyu

25. RELATED PARTY TRANSACTIONS (Continued)

(b) Transactions with related parties

The following transactions were carried out with related parties:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cloud sever service from (note (i))		
Tencent	**677**	742
Channel service from (note (i))		
Tencent	**28,527**	50,686
Revenue from (note (ii))		
Tencent	**5,482**	9,311
Rental income from (note (iii))		
Xianglian	**360**	357

Notes:

(i) The purchase of service from Tencent was mutually agreed after taking into account the prevailing market prices.

(ii) The revenue from Tencent was mutually agreed after taking into account the prevailing market prices.

(iii) The rental income from Xianglian was mutually agreed after taking into account the prevailing market prices.

25. RELATED PARTY TRANSACTIONS (Continued)

(c) Balances with related parties:

Due from related parties, associate and shareholders

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Tencent	16,363	9,256
Xiamen Plump Fish	1,500	1,500
Xiamen Good Game Island	489	489
Total	18,352	11,245

Due to related parties, associates and shareholder

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Xiamen Good Game Island	1,000	1,000
Tencent	8,344	3,978
Xiamen Plump Fish	80	80
Xianglian	79	79
Total	9,503	5,137

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

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Salaries, allowances and benefits in kind	1,057	1,099
Pension scheme contributions	123	73
Total	1,180	1,172

26. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the period were as follows:

Financial assets

As at 30 June 2026

		Financial assets at fair value through other comprehensive income			
	Financial assets at fair value through profit or loss RMB'000 (Unaudited)	Debt investments RMB'000 (Unaudited)	Equity investments RMB'000 (Unaudited)	Financial assets at amortised cost RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Debt investments at fair value through other comprehensive income	–	21,281	–	–	21,281
Equity investments designated at fair value through other comprehensive income	–	–	36,658	–	36,658
Financial assets at fair value through profit or loss	18,962	–	–	–	18,962
Accounts receivable and receivables due from third-party game distribution platforms and payment channels	–	–	–	66,833	66,833
Financial assets included in prepayments, other receivables and other assets	–	–	–	31,709	31,709
Cash and cash equivalents	–	–	–	207,389	207,389
Time deposits	–	–	–	105,095	105,095
Total	18,962	21,281	36,658	411,026	487,927

26. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

Financial assets (continued)

As at 31 December 2025

		Financial assets at fair value through other comprehensive income			
	Financial assets at fair value through profit or loss RMB'000	Debt investments RMB'000	Equity investments RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Debt investments at fair value through other comprehensive income	–	22,755	–	–	22,755
Equity investments designated at fair value through other comprehensive income	–	–	37,384	–	37,384
Financial assets at fair value through profit or loss	22,865	–	–	–	22,865
Accounts receivable and receivables due from third-party game distribution platforms and payment channels	–	–	–	57,690	57,690
Financial assets included in prepayments, other receivables and other assets	–	–	–	34,315	34,315
Cash and cash equivalents	–	–	–	221,195	221,195
Time deposits	–	–	–	90,000	90,000
Total	22,865	22,755	37,384	403,200	486,204

26. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

Financial liabilities

	Financial liabilities at amortised cost	
	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Financial liabilities included in other payables and accruals	**81,467**	20,640
Interest-bearing bank loans	**80,500**	83,500
Total	**161,967**	104,140

27. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer and the board of directors. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the board of directors twice a year for interim and annual financial reporting.

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

The fair values of unlisted equity investments designated at fair value through other comprehensive income, have been estimated using a market-based valuation technique valuation model based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors to determine comparable public companies (peers) based on industry, size, leverage and strategy, and to calculates an appropriate price multiple, such as enterprise value to revenue ("EV/Revenue") multiple, for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by revenue measure. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding earnings measure of the unlisted equity investments to measure the fair value. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income, are reasonable, and that they were the most appropriate values at the end of the reporting period.

For the fair value of the unlisted equity investments at fair value through other comprehensive income, management has estimated the potential effect of using reasonably possible alternatives as inputs to the valuation model.

27. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Set out below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 30 June 2026 and 31 December 2025:

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Certain equity investments (2026: five equity investments; 2025: five equity investments)	Valuation multiple	Average EV/ Revenue multiple of peers	2026: 1.1 to 5.6 (2025: 1.2 to 6.0)	5% (2025: 5%) increase/decrease in multiple would result in increase/decrease in fair value by RMB1,645,000/RMB1,644,000 (2025: RMB1,626,000/ RMB1,634,000)
		Discount for lack of marketability	2026: 16% to 32% (2025: 11% to 32%)	5% (2025: 5%) increase/decrease in multiple would result in decrease/increase in fair value by RMB2,274,000/RMB2,274,000 (2025: RMB2,283,000/ RMB2,283,000)

The discount for lack of marketability represents the amounts of premiums and discounts determined by the Group that market participants would take into account when pricing the investments.

27. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy

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

Assets measured at fair value:

As at 30 June 2026

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000 (Unaudited)	Significant observable inputs (Level 2) RMB'000 (Unaudited)	Significant unobservable inputs (Level 3) RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Debt investments at fair value through other comprehensive income	–	21,281	–	21,281
Financial assets at fair value through profit or loss	877	18,085	–	18,962
Equity investments designated at fair value through other comprehensive income	–	–	36,658	36,658
Total	877	39,366	36,658	76,901

27. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy (continued)

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Debt investments at fair value through other comprehensive income	–	22,755	–	22,755
Financial assets at fair value through profit or loss	1,253	21,612	–	22,865
Equity investments designated at fair value through other comprehensive income	–	–	37,384	37,384
Total	1,253	44,367	37,384	83,004

The Group did not have any financial liabilities measured at fair value as at 30 June 2026 and 31 December 2025.

For the period ended 30 June 2026, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2025: Nil).

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

	2026 RMB'000 (Unaudited)	2025 RMB'000 (Audited)
Equity investments at fair value through other comprehensive income – unlisted:		
At 1 January	**37,384**	37,543
Total gains recognised in other comprehensive income	**(726)**	(159)
At 30 June	**36,658**	37,384

28. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised by the board of the directors on 28 August 2026.

GLOSSARY

"2024 Restricted Share Unit Scheme"	the restricted share unit scheme adopted by the Shareholders on 24 May 2024
"2024 Share Option Scheme"	the share option scheme adopted by the Shareholders on 24 May 2024
"ARPPU"	average revenue per paying user, calculated by dividing monthly average revenue from the sale of virtual items and premium features during a certain period by the number of average MPUs during the same period
"Audit Committee"	the audit committee of the Board
"Board"	the board of Directors
"Cayman Islands"	the Cayman Islands
"CG Code"	Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Chairman"	the chairman of the Board
"Chief Executive Officer"	the chief executive officer of the Company
"China" or "PRC" or "Mainland China"	the People's Republic of China excluding, for the purpose of this interim report, Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"Company", "our Company", "we", "us" or "our"	Feiyu Technology International Company Ltd., an exempted company incorporated in the Cayman Islands with limited liability on 6 March 2014
"Director(s)"	director(s) of the Company
"Executive Director(s)"	the executive Director(s)
"Group"	the Company, its subsidiaries and the PRC Operating Entities
"HK$", "Hong Kong dollars" or "cents"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the People's Republic of China
"IAS(s)"	International Accounting Standards
"IASB"	International Accounting Standard Board
"IFRS(s)"	International Financial Reporting Standards, amendments and interpretations issued by the IASB
"Independent Non-executive Director(s)"	the independent non-executive Director(s)

"iOS"	a mobile operating system developed and maintained by Apple Inc. used exclusively in Apple touchscreen technology including, iPhones, iPods, and iPads
"IP(s)"	Intellectual Property(ies)
"Kailuo Tianxia"	Beijing Kailuo Tianxia Technology Co., Ltd (北京凱羅天下科技有限公司), a limited liability company established in the PRC and an indirect wholly owned subsidiary of the Company
"Land"	the land located in Huli District, Xiamen, the PRC as disclosed in the Company's announcement dated 21 July 2016
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
"MAUs"	monthly active users, which is the number of players who logged into a particular game in the relevant calendar month. Under this metric, a player who logged into two different games in the same month is counted as two MAUs. Similarly, a player who plays the same game on two different publishing platforms in a month would be counted as two MAUs. Average MAUs for a particular period is the average of the MAUs in each month during that period
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers, as set out in Appendix C3 to the Listing Rules
"MPUs"	monthly paying users, which is the number of paying players in the relevant calendar month. Average MPUs for a particular period is the average of the MPUs in each month during that period
"Nomination Committee"	the nomination committee of the Board
"PC"	personal computer
"Post-IPO Share Option Scheme"	the post-IPO Share Option Scheme adopted by the Shareholders on 17 November 2014 and was terminated on 24 May 2024
"PRC Operating Entities"	Xiamen Guanghuan and its subsidiaries and "PRC Operating Entity" means any one of them
"Remuneration Committee"	the remuneration committee of the Board
"Renminbi" or "RMB"	Renminbi yuan, the lawful currency of the PRC

GLOSSARY

"RPG"	role-playing games, which involve a large number of players who interact with each other in an evolving fictional world. Each player adopts the role of one or more "characters" who develop specific skill sets (such as melee combat or casting magic spells) and control the character's actions. There are unlimited possible game scenarios where the evolution of the game world is determined by the actions of the players, and the storyline continuously evolves even while the players are offline and away from the games
"RSU(s)"	restricted share unit(s)
"RSU Plan II"	the RSU Plan II adopted by the Shareholders on 28 May 2018 and was terminated on 24 May 2024
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) in the share capital of our Company with nominal value of US$0.0000001 each
"Shareholder(s)"	holder(s) of Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary" or "subsidiaries"	has the meaning ascribed to it in the Listing Rules
"Tencent", together with its subsidiaries, "Tencent Group"	Tencent Holdings Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: HKEX: 00700 (HKD counter) and 80700 (RMB counter))
"US$", "U.S. dollars", "USD" or "United States Dollars"	United States dollars, the lawful currency of the United States of America
"Xiamen Guanghuan"	Xiamen Guanghuan Information Technology Co., Ltd. (廈門光環信息科技有限公司), a limited company incorporated under the laws of the PRC on 12 January 2009, being a company which the Group does not own but can exercise and maintain control over, and to consolidate its financial results as a wholly-owned subsidiary of the Company by virtue of certain contractual arrangements

In this interim report, the terms "associate", "connected person", "connected transaction" and "substantial shareholder" shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.