

2025 INTERIM REPORT



Feiyu Technology International Company Ltd.

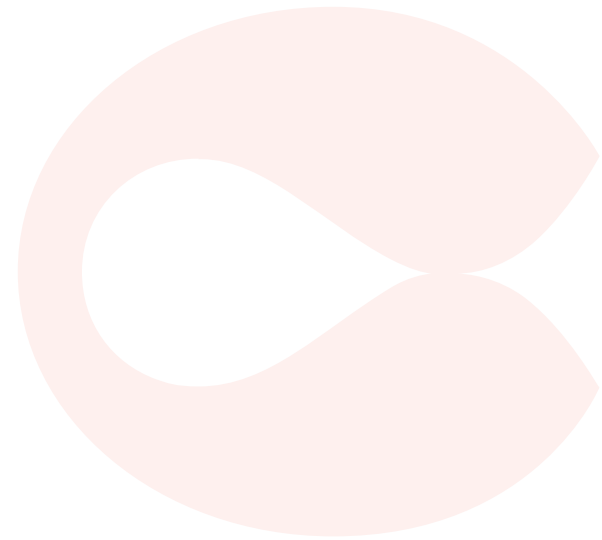
飛魚科技國際有限公司

(Incorporated in the Cayman Islands with Limited Liability)

Stock Code : 1022



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:

Dentons Hong Kong LLP
Suite 3201, Jardine House
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Central, Hong Kong

As to Cayman Islands law:

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Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

AUDITORS

Ernst & Young

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

CORPORATE INFORMATION

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
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

Conyers Trust Company (Cayman) Limited

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Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited

Shops 1712-1716, 17th Floor
Hopewell Centre, 183 Queen's Road East
Wanchai, Hong Kong

PRINCIPAL BANKERS

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

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PRC

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INVESTOR RELATIONS

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18 Harcourt Road, Admiralty,
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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		Change %
	2025 (RMB'000) (Unaudited)	2024 (RMB'000) (Unaudited)	
Revenue	451,353	101,752	343.6
Gross profit	428,324	85,587	400.5
Profit/(Loss) before tax	57,706	(1,635)	N/A
Profit/(Loss) for the period attributable to owners of the parent	57,520	(1,586)	N/A
PROFIT/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
– Basic & Diluted	RMB0.03	RMB0.00	

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As of 30 June 2025 (RMB'000) (Unaudited)	As of 31 December 2024 (RMB'000) (Audited)	Change %
Assets			
Non-current assets	523,948	501,355	4.5
Current assets	193,873	178,727	8.5
Total assets	717,821	680,082	5.5
Equity and liabilities			
Total equity	537,758	482,580	11.4
Non-current liabilities	88,646	89,733	(1.2)
Current liabilities	91,417	107,769	(15.2)
Total liabilities	180,063	197,502	(8.8)
Total equity and liabilities	717,821	680,082	5.5

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

OVERVIEW

During the first half of 2025, Feiyu Technology International Company Ltd. (“**Feiyu**” or the “**Company**”) continued to execute its strategy as a leading online game developer and operator in China. The operating environment presented a mixed picture during the period. Weakening consumer confidence exerted pressure on players’ willingness to spend, while intensifying competition from live-streaming platforms and short-form video apps further fragmented users’ time and disposable income. On a positive note, the regulatory environment became more accommodative, with an increased number of new game approvals compared to the same period last year, providing fresh growth opportunities for the industry. Nevertheless, the competitive landscape remained highly intense, featured by rapidly evolving player preferences and a growing emphasis on high-quality, specialisation-themed games to capture niche audiences.

The HTML5 games sector, which has demonstrated robust growth over recent years, continued to gain momentum in the reporting period. This lightweight gaming format has attracted increasing investment from both developers and publishers seeking to leverage its instant-play accessibility across devices, capitalise on social sharing features that drive organic user acquisition, and develop innovative hybrid monetisation models combining in-app purchases and advertising.

The Company’s strategic move to invest in HTML5 games since 2023 has delivered exceptional results for the period. Revenue reached approximately RMB451.4 million for the six months ended 30 June 2025, representing an increase of 343.6% year-over-year. This remarkable growth was primarily driven by the performance of our HTML5 title *Yi Bu Liang Bu* (一步兩步), which was launched in August 2024 and entered its payback period in the first half of 2025. Profit attributable to owners of the parent was RMB57.5 million, marking a strong turnaround from a loss of RMB1.6 million for the same period of 2024.

While new game launches drove significant growth, the Company’s established titles, including *Shen Xian Dao* (神仙道) and *Carrot Fantasy* (保衛蘿蔔) series, continued to demonstrate strong resilience and player loyalty. These long-running franchises contributed stable revenue streams and maintained high engagement levels, underscoring our expertise in live operations.

Our established franchises are also a solid foundation for new growth opportunities through strategic sequels, adaptations, and platform extensions. By leveraging proven gameplay mechanics and beloved storylines, we efficiently scale successful intellectual properties (“**IP**”) while minimizing development risk. In March 2025, we launched *Shou Hua San Guo* (獸化三國) in HTML5 format, adapting our popular mobile title for lightweight play. The game’s immediate reception was particularly encouraging, quickly securing a Top 50 position on Weixin Mini Game’s best-selling list. Building on this momentum, July 2025 marked another achievement with the Steam debut of *Neon Abyss 2* (霓虹深淵2), the highly anticipated sequel to our classic roguelike action title. The game’s launch performance met our expectation, climbing to the No. 3 spot on Steam China’s best-selling list within its first day of release.

MANAGEMENT DISCUSSION AND ANALYSIS

Additionally, we also made deliberate strides in global market diversification during the reporting period. In May 2025, we launched *Cat in Town* on Meta's virtual reality ("VR") platform. It is a sandbox action-adventure game blending light puzzle mechanics with immersive storytelling and serves as a beachhead for us in the emerging VR gaming sector. Complementing the product push, we established an overseas publishing hub to bring our China-proven titles to overseas players. Our overseas expansion is expected to diversify revenue streams against domestic market cyclicity and extend the lifespan of mature IPs through new geographic monetization.

We continue to execute our multi-year strategy to extend the *Carrot Fantasy* (保衛蘿蔔) series' IP into complementary consumer sectors, creating new revenue streams while enhancing brand visibility. A highlight in the period was our collaboration with well-known beverage chain *Yihetang* (益禾堂) for joint nationwide promotional campaigns for its new beverage products. The collaboration allows *Yihetang* (益禾堂) to sell beverage combos featuring *Carrot Fantasy* (保衛蘿蔔) characters across its 5,500 stores nationwide, including 85 *Carrot Fantasy* (保衛蘿蔔)-themed stores in 22 provinces.

In terms of IP merchandising, our IP development team successfully launched three waves of *Carrot Fantasy* (保衛蘿蔔) premium figurines during the period, with each limited-edition release sold out within 5 hours of launch. We also remained committed to lifestyle product expansion and developed 36 new daily-use items that further integrate our IP into fans' everyday lives, spanning personal care series, home collection, and office essentials.

OUTLOOK FOR 2025

Building on the strong momentum, we will continue to invest in HTML5 games with deliberate focus on lightweight casual genres that demonstrate lasting engagement potential. We have a robust pipeline slated for release in the second half of 2025 and beyond. Among them, *Carrot Fantasy 4* (保衛蘿蔔4) represents a cornerstone of our platform expansion strategy. As one of China's most successful casual mobile games with over 700 million accumulated registrations, the *Carrot Fantasy* (保衛蘿蔔) series has strong brand recognition and engaging gameplay design. The transition to instant-play format will enable us to capitalise on traffic advantages offered by super-app ecosystems. Concurrently, we will further develop *Yi Bu Liang Bu* (一步兩步), extending its lifecycle and initiating an overseas rollout, beginning with Southeast Asian markets.

Additionally, we will continue to build out our overseas publishing hub, by recruiting professionals with proven expertise in user acquisition and platform relations, while simultaneously expanding local business network. Working closely with our teams in China, the overseas publishing hub will initially localise and deploy our top-performing HTML5 titles, positioning us to capitalise on overseas robust gaming market growth.

In the second half of 2025, we will further develop and leverage the enduring popularity of the *Carrot Fantasy* (保衛蘿蔔) IP, introducing a limited-run commemorative series of ABO figurines celebrating the franchise's 13th anniversary. This anniversary release will be accompanied by the much-anticipated return of our premium Golden Carrot Collector's Figurines Series. To complement these core offerings, we are preparing four exclusive convention editions that will debut at major expos. These event-specific variants are expected to be another popular series among collectors given their scarcity. This carefully structured merchandising strategy reflects our evolving approach to IP development, where merchandises are important tools to effectively sustain fan engagement between major game updates.

MANAGEMENT DISCUSSION AND ANALYSIS

INTERIM DIVIDEND

The Board did not declare an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

FINANCIAL REVIEW

Operating Information

The Company's Games

During the first half of 2025, the Company remained committed to the 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. In addition, we have been investing in the R&D and distribution of HTML5 games, aiming to capitalise on the surge of this sector. Our HTML5 game named *Yi Bu Liang Bu* (一步兩步), launched in the second half of 2024, entered its payback period during the first half of 2025. The Company maintained its commitment to attracting players through high-quality content updates while actively pursuing ongoing promotional efforts. These combined initiatives contributed to the robust returns of the title during the first half of 2025. The Company also launched a VR game named *Cat in Town* in May 2025 and an HTML5 game named *Shou Hua San Guo* (獸化三國) in March 2025. The latter received positive responses and rose to the Top 50 on the Weixin mini game best-selling list.

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			
	2025		2024	
	(RMB'000)	(% of Total Revenue)	(RMB'000)	(% of Total Revenue)
Game Operations				
Web games	5,158	1.1	5,414	5.3
Mobile games				
RPGs	47,125	10.4	37,755	37.1
Casual	39,684	8.8	38,458	37.8
PC games	525	0.1	960	1.0
HTML5 games	334,879	74.2	387	0.4
Console games	366	0.1	338	0.3
Total	427,737	94.8	83,312	81.9

Revenue contributed by game operations was approximately RMB427.7 million for the six months ended 30 June 2025, representing a significant increase of approximately 413.4%, compared with approximately RMB83.3 million for the corresponding period in 2024. The increase was primarily due to the contribution from *Yi Bu Liang Bu* (一步兩步), which was launched in the second half of 2024 and generated exceptional gross billings during the first half of 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

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 2025, the Company's (i) RPG mobile games and web games had approximately 236.3 million cumulative registered users, composed of approximately 173.5 million web game users and approximately 62.8 million mobile game users; (ii) casual games had approximately 747.3 million cumulative activated downloads; (iii) HTML5 games had approximately 71.5 million cumulative registered users; (iv) PC games had approximately 2.3 million cumulative copies sold; and (v) console games had approximately 618,000 cumulative copies sold. For the month of June 2025, the Company's (i) RPG mobile games and web games had approximately 0.2 million MAUs in total, composed of approximately 0.1 million mobile game MAUs and approximately 0.1 million web game MAUs respectively; and (ii) casual games had approximately 3.6 million MAUs; (iii) HTML5 games had approximately 7.7 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		Change %
	2025	2024	
Average MPUs			
Web games (RPGs) (000's)	4	5	(20.0)
Mobile games (RPGs) (000's)	39	60	(35.0)
Casual (000's)	148	155	(4.5)
HTML5 (000's)	167	—	N/A
ARPPU			
Web games (RPGs) (RMB)	208.3	179.3	16.2
Mobile games (RPGs) (RMB)	200.9	104.9	91.5
Casual (RMB)	45.0	41.3	9.1
HTML5 (RMB)	334.3	—	N/A

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

MANAGEMENT DISCUSSION AND ANALYSIS

MPUs for web games averaged approximately 4,000 for the six months ended 30 June 2025 as compared to approximately 5,000 for the six months ended 30 June 2024, primarily due to our web games reached the later stage of their expected lifecycles. Average MPUs for mobile RPG games decreased by 35.0% from approximately 60,000 for the six months ended 30 June 2024 to approximately 39,000 for the six months ended 30 June 2025, primarily due to *Shen Xian Dao 3* (神仙道3)'s higher number of MPUs in the early stage of its expected lifecycle in early 2024. Average MPUs for casual games decreased by 4.5% from approximately 155,000 for the six months ended 30 June 2024 to approximately 148,000 for the six months ended 30 June 2025, primarily attributable to our strategy of maintaining long-term operation of the *Carrot Fantasy 4* (保衛蘿蔔4) instead of instant monetisation. Average MPUs for HTML5 games was approximately 167,000 for the six months ended 30 June 2025 (first half of 2024: nil) primarily driven by the newly launched *Yi Bu Liang Bu* (一步兩步) in the second half of 2024 and other HTML5 games launched during the second half of 2024 and the first half of 2025.

ARPPU for web games increased by 16.2% from approximately RMB179.3 for the six months ended 30 June 2024 to approximately RMB208.3 for the six months ended 30 June 2025, primarily driven by higher ARPPU for the web version of *Shen Xian Dao* (神仙道) and *Da Hua Shen Xian* (大話神仙), which have entered the mature stage of their expected lifecycle when loyal players are more willing to make in-game purchases. ARPPU for RPG mobile games increased by 91.5% from approximately RMB104.9 for the six months ended 30 June 2024 to approximately RMB200.9 for the six months ended 30 June 2025, primarily due to the launch of the mobile game version of *Yi Bu Liang Bu* (一步兩步). ARPPU for casual games increased by 9.1% from approximately RMB41.3 for the six months ended 30 June 2024 to approximately RMB45.0 for the six months ended 30 June 2025, primarily due to the increase in ARPPU for the *Carrot Fantasy* (保衛蘿蔔) game series, which was updated frequently with new features, resulting in users being more willing to make in-game purchases. ARPPU for HTML5 games was approximately RMB334.3 for the six months ended 30 June 2025 (first half of 2024: nil) as the Company launched *Yi Bu Liang Bu* (一步兩步) in the second half of 2024 and other HTML5 games during the second half of 2024 and 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.

MANAGEMENT DISCUSSION AND ANALYSIS

First Half of 2025 compared with First Half of 2024

The following table sets forth the Group's income statement for the six months ended 30 June 2025 compared with the six months ended 30 June 2024.

	Six Months Ended 30 June		
	2025	2024	Change %
	(RMB'000)	(RMB'000)	
Revenue	451,353	101,752	343.6
Cost of sales	(23,029)	(16,165)	42.5
Gross profit	428,324	85,587	400.5
Other income and gains	7,851	8,597	(8.7)
Selling and distribution expenses	(314,420)	(36,213)	768.3
Administrative expenses	(21,913)	(19,711)	11.2
Research and development costs	(32,435)	(27,152)	19.5
Finance costs	(1,790)	(2,153)	(16.9)
Other expenses	(7,925)	(13,212)	(40.0)
Share of profits and losses of associates	14	2,622	(99.5)
PROFIT/(LOSS) BEFORE TAX	57,706	(1,635)	N/A
Income tax expenses	(1,164)	(329)	253.8
PROFIT/(LOSS) FOR THE PERIOD	56,542	(1,964)	N/A
Attributable to:			
Owners of the parent	57,520	(1,586)	N/A
Non-controlling interests	(978)	(378)	158.7

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

The following table sets forth a breakdown of the Group's revenue for the six months ended 30 June 2025 and 2024:

	Six Months Ended 30 June			
	2025	(% of Total Revenue)	2024	(% of Total Revenue)
	(RMB'000)		(RMB'000)	
Game operations	427,737	94.8	83,312	81.9
Online game distribution	14	0.0	192	0.2
Licensing and IP-related income	4,917	1.1	8,594	8.4
Advertising revenue	18,638	4.1	9,646	9.5
Technical service income	47	0.0	8	0.0
Total	451,353	100.0	101,752	100.0

Total revenue increased by 343.6% to approximately RMB451.4 million for six months ended 30 June 2025 from approximately RMB101.8 million for the six months ended 30 June 2024.

Revenue from game operations was approximately RMB427.7 million for the six months ended 30 June 2025, representing a significant increase of approximately 413.4%, compared with approximately RMB83.3 million for the six months ended 30 June 2024. The increase was primarily due to the launch of *Yi Bu Liang Bu* (一步兩步) on 1 August 2024, which had been well received by users and entered its payback period during the first half of 2025. The increase was also due to the launch of other HTML5 games such as *Piggy Survivor* (野人快跑) in December 2024 and *Shou Hua San Guo* (獸化三國) in March 2025.

Revenue from online game distribution decreased by approximately 92.7% to approximately RMB14,000 for the six months ended 30 June 2025 from approximately RMB0.2 million for the six months ended 30 June 2024. The decrease was mainly due to the decline in revenue of *Mushroom War 2* (蘑菇戰爭2) which entered the later stage of its expected lifecycle.

Licensing and IP-related income decreased by approximately 42.8% from approximately RMB8.6 million for the six months ended 30 June 2024 to approximately RMB4.9 million for the six months ended 30 June 2025. The decrease was primarily attributable to the recognition of a one-off licensing fee of approximately RMB4.2 million for the cloud gaming version of *Carrot Fantasy 4* (保衛蘿蔔4) for the six months ended 30 June 2024, while there was no such one-off licensing fee recognised for the six months ended 30 June 2025.

Advertising revenue increased by approximately 93.2% from approximately RMB9.6 million for the six months ended 30 June 2024 to approximately RMB18.6 million for the six months ended 30 June 2025. The increase was primarily due to the launch of *Yi Bu Liang Bu* (一步兩步) which contributed advertising revenue of approximately RMB8.5 million for the first half of 2025. The increase was also driven by the advertising revenue generated by other HTML5 games launched during the second half of 2024 and the first half of 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Cost of sales

Cost of sales increased by 42.5% to approximately RMB23.0 million for the six months ended 30 June 2025 from approximately RMB16.2 million for the six months ended 30 June 2024. The increase was mainly attributable to the increased staff costs from approximately RMB11.5 million for the six months ended 30 June 2024 to approximately RMB16.0 million for the six months ended 30 June 2025 as a result of the Company's increased staffing for the distribution of HTML5 games. The increase in cost of sales was also due to the increase in server costs from approximately RMB2.1 million for the six months ended 30 June 2024 to approximately RMB4.4 million for the six months ended 30 June 2025, primarily due to the operation of *Yi Bu Liang Bu* (一步兩步) which was launched in August 2024.

Gross profit and gross profit margin

Gross profit increased by 400.5% to approximately RMB428.3 million for the six months ended 30 June 2025 from approximately RM85.6 million for the six months ended 30 June 2024. Gross profit margin for the six months ended 30 June 2025 was 94.9%, increasing 10.8 percentage points from 84.1% for the corresponding period in 2024.

Other income and gains

Other income and gains decreased by 8.7% from approximately RMB8.6 million for the six months ended 30 June 2024, to approximately RMB7.9 million for the six months ended 30 June 2025. The decrease was primarily attributable to the decrease in government grant from approximately RMB1.4 million for the six months ended 30 June 2024 to approximately 0.6 million for the six months ended 30 June 2025.

Selling and distribution expenses

Selling and distribution expenses increased by 768.3% from approximately RM36.2 million for the six months ended 30 June 2024, to approximately RMB314.4 million for the six months ended 30 June 2025. The increase was mainly attributable to the increase in distribution expenses from approximately RMB22.4 million for the six months ended 30 June 2024 to approximately RMB232.2 million for the six months ended 30 June 2025. The distribution expenses were primarily associated with the operation of *Yi Bu Liang Bu* (一步兩步) which was launched on 1 August 2024 and other HTML5 games launched or under testing phase. The increase in selling and distribution expenses was also due to the increase in channel fees from approximately RMB11.8 million for the six months ended 30 June 2024 to approximately RMB80.2 million for the six months ended 30 June 2025. Such increase was mainly due to the launch of *Yi Bu Liang Bu* (一步兩步) and other HTML5 games on Weixin Mini Program and Douyin Mini Program, for which we recognised revenue on a gross basis and channel technical service fee in selling and distribution expenses.

Administrative expenses

Administrative expenses increased by approximately 11.2% from approximately RMB19.7 million for the six months ended 30 June 2024 to approximately RMB21.9 million for the six months ended 30 June 2025. The increase was primarily attributable to the increase in staff costs from approximately RMB8.4 million for the six months ended 30 June 2024 to approximately RMB9.9 million for the six months ended 30 June 2025 as a result of the increase in administrative personnel.

MANAGEMENT DISCUSSION AND ANALYSIS

R&D costs

R&D costs increased by approximately 19.5% from approximately RMB27.2 million for the six months ended 30 June 2024 to approximately RMB32.4 million for the six months ended 30 June 2025. The increase was primarily attributable to the increase in staff costs from approximately RMB26.1 million for the six months ended 30 June 2024 to approximately RMB31.3 million for the six months ended 30 June 2025 as a result of the Company's increased investment in personnels for the development of HTML5 games.

Finance costs

Finance costs decreased by approximately 16.9% from approximately RMB2.2 million for the six months ended 30 June 2024 to approximately RMB1.8 million for the six months ended 30 June 2025. The decrease was primarily due to the decrease in interest expenses resulting from partial repayment of the bank loans in conjunction with the operation of the Company's R&D centre and headquarters building in Xiamen.

Other expenses

Other expenses were approximately RMB7.9 million for the six months ended 30 June 2025, compared with approximately RMB13.2 million for the six months ended 30 June 2024. The decrease was primarily due to the improved performance of the Group's investment in an unlisted limited partnership, for which there was a recognition of investment loss for the six months ended 30 June 2024, while there was no such investment loss recognised for the six months ended 30 June 2025. The change was primarily due to the fair value changes of several investments of this unlisted limited partnership which primarily invested in the sectors of intelligent system, auto system and information technology.

Income tax expense

Income tax expenses increased by approximately 253.8% from approximately RMB0.3 million for the six months ended 30 June 2024, to approximately RMB1.2 million for the six months ended 30 June 2025. The increase was primarily attributable to the utilisation of accumulated deductible losses of one of the subsidiaries. The increase was also attributable to the change in deferred tax expenses resulting from the fair value changes and tax base changes of investment properties.

Profit/Loss for the period

As a result of the above, profit for the six months ended 30 June 2025 was approximately RMB56.5 million, representing a strong turnaround compared to a loss for the six months ended 30 June 2024 of approximately RMB2.0 million. Profit attributable to owners of the parent for the six months ended 30 June 2025 was approximately RMB57.5 million, as compared to a loss attributable to owners of the parent for the six months ended 30 June 2024 of approximately RMB1.6 million.

Financial Position

As at 30 June 2025, total equity of the Group was approximately RMB537.8 million, representing an increase of approximately 11.4% from approximately RMB482.6 million as at 31 December 2024. The increase was primarily attributable to the profit of approximately RMB56.5 million recorded for the six months ended 30 June 2025.

As at 30 June 2025, the Group had net current assets of approximately RMB102.5 million, representing an increase of approximately 44.4% from approximately RMB71.0 million as at 31 December 2024. The increase was mainly due to the higher net operating cash inflows driven by *Yi Bu Liang Bu* (一步兩步).

MANAGEMENT DISCUSSION AND ANALYSIS

Liquidity and Financial Resources

	30 June 2025 (RMB'000)	31 December 2024 (RMB'000)	Change %
Cash at bank and on hand	79,859	100,687	(20.7)
Total	79,859	100,687	(20.7)

Total cash and cash equivalents were approximately RMB79.9 million as at 30 June 2025, compared with approximately RMB100.7 million as at 31 December 2024. The decrease was primarily due to the purchase of the office units and car parking spaces located at Chaoyang District, Beijing with a consideration of RMB51.4 million in June 2025. The decrease was partially offset by the operating cash inflows generated by *Yi Bu Liang Bu* (一步兩步).

As at 30 June 2025, approximately RMB13.0 million of financial resources (31 December 2024: RMB12.4 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 2025, the Group had aggregate bank loans of approximately RMB86.5 million (31 December 2024: RMB89.5 million), of which approximately RMB6.0 million is payable within one year, approximately RMB26.3 million is payable between one and five years and approximately RMB54.2 million is payable after five years. The Group did not have lease liability as at 30 June 2025 (31 December 2024: Nil).

As at 30 June 2025, the Group's bank loans of approximately RMB86.5 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 2025, 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 RMB119.3 million (31 December 2024: RMB125.8 million), which represented the Company's investment in straight bonds and a bond fund issued by banks or reputable companies with coupon rates ranging from 2.25% to 4.5% per annum, and the 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 2025 were not protected.

MANAGEMENT DISCUSSION AND ANALYSIS

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 2025 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 2025 (RMB'000)	Gain/(loss) on fair value changes recognised in consolidated statement of comprehensive income for the six months ended 30 June 2025 (RMB'000)	Fair value as at 30 June 2025 (RMB'000)	Percentage of total FVOCI and FVPL Investments as at 30 June 2025	Percentage of total assets of the Group as at 30 June 2025
CHINLP Medium Term Note Programme ("CHINLP")	2	283	897	21,963	18.4%	3.1%
POLHON Guaranteed Notes ("POLHON")	3	402	795	19,735	16.5%	2.7%
NWDEVL Medium Term Note Programme ("NWDEVL")	4	566	(3,015)	12,057	10.1%	1.7%

Notes:

- 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 12 to the financial statements for details of the investment in straight bonds.

MANAGEMENT DISCUSSION AND ANALYSIS

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).

According to the interim report for the six months ended 30 June 2025 of CLP Holdings Limited, total revenue decreased by 2.8% to HK\$4,285 million and operating earnings before fair value movements decreased 8.0% to HK\$5,227 million for the first half of 2025. This decline was mainly due to the unfavourable performance of EnergyAustralia's Customer business, along with the reduced contributions from nuclear and renewable energy assets on the Chinese Mainland. These negative factors were partially offset by the strong performance in Hong Kong. Total earnings for the first six months of this year was HK\$5,624 million after taking into account the positive one-off items affecting comparability, mainly from the realisation of Wooreen Energy Storage System project post introduction of a partner in Australia.

Amid by external challenges such as shifting market dynamics, volatile global energy demand and heightened geopolitical tensions during the first half of 2025, CLP group continued to provide a reliable energy supply and invest in Hong Kong market, and it also made further progress in developing its portfolio of renewable energy and flexible generation capacity assets in other markets. As a result, the Group maintains an optimistic outlook on the future prospect of the bond CHINLP.

MANAGEMENT DISCUSSION AND ANALYSIS

3. During the second half of July 2021, the Group successively invested in a bond issued by Ease Trade Global Limited ("**Ease Trade**") and guaranteed by Poly Property Group Co. Limited ("**Poly Property**") with an accumulated nominal amount of US\$2,800,000 at an accumulated consideration of US\$2,883,000 (equivalent to approximately RMB18.6 million). The bond has a coupon interest rate of 4.0% per annum with a maturity period of 5 years.

Ease Trade, the issuer, is the direct wholly owned subsidiary of the guarantor Poly Property, which is a limited liability company incorporated in Hong Kong and is listed on the Main Board of the Stock Exchange with the stock code of 00119. Poly Property, together with its subsidiaries, namely the Poly Group, is a prominent property developer in the PRC. It is principally engaged in the business of property development, investment and management. Its projects typically comprise various types of developments, including apartments, villas, offices and commercial properties. As at 31 December 2024, China Poly Group Corporation Limited, being one of the large-scale state-owned enterprises under the supervision of the State-owned Assets Supervision and Administration Commission of the State Council of the PRC (SASAC), is deemed to be interested in 48.09% of the issued share capital of Poly Property under the Securities and Futures Ordinance (Cap. 571) of the law of Hong Kong.

According to the Profit Warning for the six months ended 30 June 2025 issued by of Poly Property, it is anticipated that the profit attributable to owners of Poly Property will decline by 40%-50% period-on-period. It was stated in the profit warning that the decrease was mainly due to high land appreciation tax on certain projects recognised during the period, an increase in selling expenses driven by intense market competition, and a decline in the proportion of profit attributable to the owners of Poly Property.

Despite the challenges faced during the year, according to the annual report for the year ended 31 December 2024, Poly Property achieved contracted sales of RMB54.2 billion for the year 2024, representing a year-on-year growth of 1%, and was one of only two listed companies which recorded growth among the top 20 real estate companies on the CRIC List. It ranked 17th in the industry in terms of total sales amount, a jump of 10 places from the end of 2023. The sales amount in the Yangtze River Delta and the Greater Bay Area accounted for 73%, a year-on-year increase of 6 percentage points, reflecting the further concentration of expansion resources in high-tier cities in recent years. During the year 2024, the sales collection amounted to RMB54.8 billion, representing a collection rate of 101%. Building on this solid performance, the Group remains optimistic about the outlook for the bond POLHON.

MANAGEMENT DISCUSSION AND ANALYSIS

- On 15 July 2021, the Group invested in a bond issued by NWD (MTN) Limited ("**NWD**") and guaranteed by New World Development Company Limited ("**New World**") with a nominal amount of US\$3,500,000 at a consideration of US\$3,783,000 (equivalent to approximately RMB24.5 million). The bond has a coupon interest rate of 4.5% per annum with a maturity period of 10 years.

The issuer NWD is one of wholly owned subsidiaries of New World, the guarantor. New World is the holding company of one of the largest Hong Kong-based property developers. Established in 1970, New World was listed on the Main Board of the Stock Exchange in 1972 (Stock Code: 00017) and its shares are currently a constituent stock of the Hang Seng Index. New World, together with its subsidiaries, namely New World Group is one of the major property developers in Hong Kong and is engaged in the development of residential, retail, office and hotel properties. NWS Holdings Limited, one of New World's subsidiary, engaged in roads construction and aviation infrastructure, is also listed on the Main Board of the Stock Exchange (Stock Code: 00659). New World China Land Limited, wholly-owned by New World, is one of the largest foreign property developers and investors in the PRC.

According to the interim report for the six months ended 31 December 2024 of New World Group, recorded revenue from continuing operations was approximately HK\$16,789 million for the six months ended 31 December 2024, a year-on-year decrease of 1.6% compared with HK\$17,066 million in 2023. Loss from continuing operations for the six months ended 31 December 2024 amounted to HK\$5,701 million, compared with net profit from continuing operations of HK\$1,543 million for the corresponding period in 2023. The loss mainly arose from drop in market value of projects in both development and investment properties, due to quick changes in market macro factors during the second half of 2024, which include, among others, a slower-than-expected pace of interest rate reduction and consumer caution amidst uncertainties arising from the policy shifts of the new administration in the US, despite favourable housing policies launched in both Hong Kong and Mainland China. Additionally, the absence of one-off gain on redemption of fixed rate bonds and transfer to investment properties recorded in the six months ended 31 December 2023, totaling HK\$1,951 million, also explains the loss in current period.

With China rolling out favourable policies to speed up development in the Greater Bay Area and the Yangtze River Delta region, New World Group is strategically positioned to capture substantial market opportunities in Hong Kong by cooperating with quality partners to capitalise on complementary strengths for mutual success. As projects in Hong Kong, Guangzhou, Shanghai, Shenzhen, Ningbo and Hangzhou progressively reach completion, commence sales, and enter operational phases, the proportion of New World Group's recurring rental income will increase, driving steady growth in its performance.

According to the voluntary announcement dated 30 June 2025, New World Group successfully (a) refinanced certain of its existing offshore unsecured financial indebtedness, including bank loans, through a new refinancing term loan facility (the "**New Bank Facility**") entered into by New World, the relevant New World Group entities and the relevant bank creditors; and (b) aligned its other existing offshore unsecured bank loans with the terms of the New Bank Facility (the "**Aligned Bank Facilities**"). The New Bank Facility and Aligned Bank Facilities together cover approximately HK\$88.2 billion of New World Group's existing unsecured offshore financial indebtedness. The New Bank Facility and the Aligned Bank Facilities have terms, including financial covenants and security interests granted over certain of New World Group's assets, which allow New World Group more flexibility to better manage its expected ongoing business and financial needs.

The Group is committed to closely and consistently monitoring the performance of the bond NWDEVL.

MANAGEMENT DISCUSSION AND ANALYSIS

(B) Unlisted Equity Investments

Company Name	Notes	Percentage of Shareholdings as at 30 June 2025	Gain/(loss) on fair value changes recognised in consolidated statement of comprehensive income for the six months ended 30 June 2025 (RMB'000)	Fair value as at 30 June 2025 (RMB'000)	Percentage of total FVOCI and FVPL investments as at 30 June 2025	Percentage of the total assets of the Group as at 30 June 2025
Xiamen eName Technology Co., Ltd. ("eName")	2	2%	(301)	26,334	22.1%	3.7%
Others	3	–	(2,907)	8,001	6.7%	1.1%

Notes:

- 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.
- 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 interim report for the six months ended 30 June 2025, eName recorded revenue of approximately RMB149.8 million, reflecting a 16.76% increase compared with the corresponding period in 2024. Net profit attributable to shareholders was approximately RMB11.5 million, reflecting a 7.09% increase from RMB10.8 million as of 30 June 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 it has actively increased promotional efforts and successfully maintained its transactions despite the gloomy industry environment. The Group is therefore optimistic about the domain service market in China and the performance of eName in the future.

- Others comprised four unlisted limited liability companies and none of these investments accounted for more than 0.6% of the total assets of the Group as at 30 June 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

(C) Unlisted Debt Investments

Company Name	Notes	Percentage of Shareholdings as at 30 June 2025	Gain/(loss) on fair value changes recognised in consolidated statement of profit or loss for the six months ended 30 June 2025 (RMB'000)	Fair value as at 30 June 2025 (RMB'000)	Percentage of total FVOCI and FVPL investments as at 30 June 2025	Percentage of the total assets of the Group as at 30 June 2025
Future Capital Discovery Fund II, L.P. ("Future Capital")	2	1.8797%	331	27,542	23.1%	3.8%
Others	3	–	(136)	1,617	1.4%	0.2%

Notes:

- 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.
- 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 2025, 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 2025, Future Capital recorded income of approximately US\$41,453 and net increase in partners' capital resulting from operations of approximately US\$2.1 million. The increase was primarily due the realization of returns from several investments.

The Group believes that Future Capital is well-capitalized, led by an experienced team, and operates in sectors with promising growth potential, ensuring a positive outlook for its future business prospects.

- Others comprised one unlisted debt investments and none of these investments accounted for more than 0.2% of the total assets of the Group as at 30 June 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

(D) Listed Equity Investment

Company Name	Notes	Percentage of Shareholdings as at 30 June 2025	Gain on fair value changes recognised in consolidated statement of profit or loss for the six months ended 30 June 2025 (RMB'000)	Fair value as at 30 June 2025 (RMB'000)	Percentage of total FVOCI and FVPL investments as at 30 June 2025	Percentage of the total assets of the Group as at 30 June 2025
Li Auto Inc. ("Li Auto")	2	–	236	2,043	1.7%	0.3%

Notes:

- 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.
- 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 2025, the Company held 10,526 LIADSS.

Pursuant to Li Auto's unaudited financial results for the quarter ended March 31, 2025, Li Auto recorded total revenue of RMB25.9 billion in the first quarter of 2025, representing an increase of 1.1% from RMB25.6 billion in the first quarter of 2024. Li Auto also recorded net income of RMB646.6 million in the first quarter of 2025, representing an increase of 9.4% from RMB591.1 million in the first quarter of 2024. Li Auto also recorded Diluted net earnings per ADS attributable to ordinary shareholders of RMB0.62 in the first quarter of 2025, compared with RMB0.56 in the first quarter of 2024.

Li Auto delivered solid results in the first quarter, achieving a 15.5% year-over-year increase in vehicle deliveries, despite the seasonally slow period for auto sales. Furthermore, the recent refresh of its product lineup has driven a robust influx of orders for the new Li L series, further highlighting its competitive product strength.

The Group believes that Li Auto remains committed to harnessing the power of technology to drive innovation, reinforcing its position as an industry leader and its future business prospect is positive.

There was no impairment made for any investments in debt instruments for the six months ended 30 June 2025. Investments in equity instruments did not involve any separate impairment accounting under IFRS 9 – Financial Instruments.

MANAGEMENT DISCUSSION AND ANALYSIS

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 2025. 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 2025. 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 25.1% as at 30 June 2025 and 29.0% as at 31 December 2024, respectively.

Capital expenditures

The following table sets forth the Group's capital expenditures for the six months ended 30 June 2025 and 2024:

	Six Months Ended 30 June		Change %
	2025 (RMB'000)	2024 (RMB'000)	
Property, plant and equipment	1,819	311	484.9%
Total	1,819	311	484.9%

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 2025 were approximately RMB1.8 million, compared with RMB0.3 million for the six months ended 30 June 2024, representing an increase of approximately 484.9%. The increase was mainly attributable to the increase in purchase of office equipment and company vehicles.

Pledge of Assets

As at 30 June 2025, bank loans of approximately RMB86.5 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 RMB234.9 million.

Contingent liabilities and guarantees

As at 30 June 2025, the Company did not have any unrecorded significant contingent liabilities, guarantees or any litigation with claims made against it.

MANAGEMENT DISCUSSION AND ANALYSIS

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2025, the Company had 450 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 2025:

	Number of Employees	% of Total
Development	259	57.5
Operations	111	24.7
Administration	63	14.0
Sales and marketing	17	3.8
Total	450	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 2025, 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}	77,470,000	4.43
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 2025, 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.

OTHER INFORMATION AND CORPORATE GOVERNANCE HIGHLIGHTS

- 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 77,470,000 Shares held by BILIN Holdings Limited pursuant to Part XV of the SFO.
- 5 The entire share capital of LINCEN 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 LINCEN 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 2025.

Save as disclosed above, as at 30 June 2025, 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 5,800,000 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 Post-IPO Share Option Scheme, the 2024 Share Option Scheme, the RSU Plan II and the 2024 Restricted Share Unit Scheme during the six months ended 30 June 2025.

OTHER INFORMATION AND CORPORATE GOVERNANCE HIGHLIGHTS

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 2025:

Name	Date of Grant	Vesting schedule	Option period	Exercise price	Closing price immediately before the date on which the options were granted	Number of Shares				
						Granted on the date of grant	Outstanding as at 1/1/2025	Exercised during the six months ended 30/6/2025	Cancelled/ Lapsed during the six months ended 30/6/2025	Outstanding as at 30/6/2025
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	–	–	2,200,000
Total							5,800,000			5,800,000

Note:

- 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.

OTHER INFORMATION AND CORPORATE GOVERNANCE HIGHLIGHTS

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 174,944,206, representing approximately 10% 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 1 January 2025 and 30 June 2025, the total number of options and awards available for grant under the Scheme Mandate Limit for the 2024 Share Option Scheme were 174,944,206; and the total number of options and awards available for grant under the Service Provider Sublimit for the 2024 Share Option Scheme were 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).

OTHER INFORMATION AND CORPORATE GOVERNANCE HIGHLIGHTS

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 174,944,206, representing approximately 10% 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 1 January 2025 and 30 June 2025, the total number of options and awards available for grant under the Scheme Mandate Limit for the 2024 Restricted Share Unit Scheme were 174,944,206; and the total number of options and awards available for grant under the Service Provider Sublimit for the 2024 Restricted Share Unit Scheme were 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).

OTHER INFORMATION AND CORPORATE GOVERNANCE HIGHLIGHTS

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

As at 30 June 2025, 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	817,627,500	46.74
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	492,115,000	28.13
	Interest in a controlled corporation and Beneficial owner		
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	161,538,000	9.23
	Interest in a controlled corporation		
Tencent Holdings Limited ⁵	Interest in a controlled corporation	261,882,607	14.97

Notes:

- 1 As at 30 June 2025, 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.

OTHER INFORMATION AND CORPORATE GOVERNANCE HIGHLIGHTS

- 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 2025.

Other than as disclosed above, as at 30 June 2025, 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 2025, 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 2025 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 2025.

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.

OTHER INFORMATION AND CORPORATE GOVERNANCE HIGHLIGHTS

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 2025 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 2025.

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 2025.

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 2025 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 2025 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 2024 annual report of the Company are as follows:

- (i) Mr. Yao Jianjun (姚劍軍), an Executive Director, has ceased to be director of Xiamen Zhangxin Internet Technology Co., Ltd. (廈門掌信網絡科技有限公司) (a company directly held as to 18.4966%, 30.7177% and 5.7857% equity interests by each of Mr. Yao, Mr. Chen Jianyu and Mr. Bi Lin as at 30 June 2025) since 25 March 2025; and
- (ii) Mr. Bi Lin (畢林), an Executive Director, has been acting as director of Xiamen Zhangxin Internet Technology Co., Ltd. (廈門掌信網絡科技有限公司) since 25 March 2025.

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 2024 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 33 to 69, 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 2025 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

27 August 2025

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
REVENUE	4	451,353	101,752
Cost of sales		(23,029)	(16,165)
Gross profit		428,324	85,587
Other income and gains	4	7,851	8,597
Selling and distribution expenses		(314,420)	(36,213)
Administrative expenses		(21,913)	(19,711)
Research and development costs		(32,435)	(27,152)
Finance costs		(1,790)	(2,153)
Other expenses		(7,925)	(13,212)
Share of profits and losses of associates	14	14	2,622
PROFIT/(LOSS) BEFORE TAX	5	57,706	(1,635)
Income tax expense	6	(1,164)	(329)
PROFIT/(LOSS) FOR THE PERIOD		56,542	(1,964)
Attributable to:			
Owners of the parent		57,520	(1,586)
Non-controlling interests		(978)	(378)
		56,542	(1,964)
PROFIT/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	8		
Basic			
For profit/(loss) for the period		RMB0.03	RMB0.00
Diluted			
For profit/(loss) for the period		RMB0.03	RMB0.00

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
PROFIT/(LOSS) FOR THE PERIOD	56,542	(1,964)
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Debt investments at fair value through other comprehensive income:		
Changes in fair value	(1,323)	(775)
Exchange differences:		
Exchange differences on translation of foreign operations	(505)	821
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	(1,828)	46
Other comprehensive income 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	(3,208)	5,538
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	(3,208)	5,538
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	(5,036)	5,584
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	51,506	3,620
Attributable to:		
Owners of the parent	52,487	3,997
Non-controlling interests	(981)	(377)
	51,506	3,620

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	9	58,942	58,624
Investment properties	10	203,534	154,498
Right-of-use assets	11	32,895	30,108
Goodwill	12	11,427	11,427
Other intangible assets	13	172	187
Investments in associates	14	14,356	14,562
Prepayments, other receivables and other assets	16	15,050	17,963
Time deposits	19	70,000	90,000
Equity investments designated at fair value through other comprehensive income	17	34,335	37,543
Debt investments at fair value through other comprehensive income	17	53,755	56,143
Financial assets at fair value through profit or loss	17	29,159	30,300
Deferred tax assets		323	–
Total non-current assets		523,948	501,355
CURRENT ASSETS			
Accounts receivable and receivables due from third-party game distribution platforms and payment channels	15	62,735	51,019
Prepayments, other receivables and other assets	16	20,584	15,655
Other current assets		8,652	9,551
Financial assets at fair value through profit or loss	17	2,043	1,815
Cash and cash equivalents	18	79,859	100,687
Time deposits	19	20,000	–
Total current assets		193,873	178,727
CURRENT LIABILITIES			
Other payables and accruals	20	69,883	90,980
Interest-bearing bank loans	21	6,000	6,000
Lease liabilities		1,407	–
Tax payable		3,216	3,308
Contract liabilities	22	10,911	7,481
Total current liabilities		91,417	107,769
NET CURRENT ASSETS		102,456	70,958
TOTAL ASSETS LESS CURRENT LIABILITIES		626,404	572,313

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
NON-CURRENT LIABILITIES			
Interest-bearing bank loans	21	80,500	83,500
Lease liabilities		1,993	–
Deferred tax liabilities		3,205	2,917
Contract liabilities	22	2,948	3,316
Total non-current liabilities		88,646	89,733
Net assets		537,758	482,580
EQUITY			
Equity attributable to owners of the parent			
Share capital	23	1	1
Share premium	23	604,624	604,624
Reserves		(78,644)	(134,803)
		525,981	469,822
Non-controlling interests		11,777	12,758
Total equity		537,758	482,580

YAO Jianjun
Director

CHEN Jianyu
Director

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to owners of the parent										Total equity RMB'000
	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	
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 income 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
Exercise of share options	-	-	-	-	-	-	-	-	-	-	-
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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to owners of the parent										Non-controlling interests RMB'000	Total equity RMB'000
	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			
At 31 December 2023 (audited)	1	604,566	29,020	149,159	324,419	(21,383)	37,059	(611,407)	511,434	14,506	525,940	
Loss for the period	-	-	-	-	-	-	-	(1,586)	(1,586)	(378)	(1,964)	
Other comprehensive income for the period:												
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	-	-	-	-	-	5,538	-	-	5,538	-	5,538	
Changes in fair value of debt investments at fair value through other comprehensive income, net of tax	-	-	-	-	-	(775)	-	-	(775)	-	(775)	
Exchange differences on translation of foreign operations	-	-	-	-	-	-	820	-	820	1	821	
Total comprehensive income for the period	-	-	-	-	-	4,763	820	(1,586)	3,997	(377)	3,620	
Exercise of share option	-	58	-	(13)	-	-	-	-	45	-	45	
At 30 June 2024 (unaudited)	1	604,624	29,020*	149,146*	324,419*	(16,620)*	37,879*	(612,993)*	515,476	14,129	529,605	

* These reserve accounts comprise the consolidated negative reserves of RMB78,644,000 (For the six months ended 30 June 2024: RMB89,149,000) in the consolidated statement of financial position.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit/(loss) before tax		57,706	(1,635)
Adjustments for:			
Finance costs		1,790	2,153
Interest income	4	(2,348)	(2,970)
Depreciation of property, plant and equipment	5	1,501	1,387
Depreciation of right-of-use assets	5	1,115	1,193
Amortisation of other intangible assets	5	15	115
Loss on disposal of items of property, plant and equipment	5	–	140
Gain on disposal of right-of-use assets		–	(16)
Fair value (gains)/loss, net:			
Financial assets at fair value through profit or loss	5	(977)	11,012
Changes in fair value of investment properties	5	2,332	1,034
Reversal of impairment of other receivables	16	–	(99)
Loss on disposal of an subsidiary	5	5,197	–
Share of profits and losses of associates	14	(14)	(2,622)
		66,317	9,692
(Increase)/decrease in accounts receivable and receivables due from third-party game distribution platforms and payment channels		(11,716)	3,641
(Increase)/decrease in prepayments, other receivables and other assets		(666)	155
Decrease in other payables and accruals		(20,847)	(19,184)
Decrease in other current assets		899	668
Increase/(decrease) in in contract liabilities		3,062	(7,309)
Cash generated from/(used in) operations		37,049	(12,337)
Interest paid		(1,931)	(2,519)
Income tax paid		(1,125)	–
Net cash flows generated from/(used in) operating activities		33,993	(14,856)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received		1,147	1,797
Purchases of items of property, plant and equipment		(1,819)	(722)
Proceeds from disposal of items of property, plant and equipment		–	55
Purchase of an investment property		(51,368)	–
Dividend received from a financial asset at fair value through profit or loss		1,352	2,294
Investment in associate		(250)	(1,000)
Purchase of equity investments designated at fair value through other comprehensive income		–	(2,500)
Purchase of financial assets at fair value through profit or loss		(82,320)	(148,220)
Proceeds from disposal of financial assets		82,735	148,389
Purchase of time deposits		–	(50,000)
Dividends received from associates		220	400
Net cash flows used in investing activities		(50,303)	(49,507)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of bank loans		(3,000)	(3,000)
Principal portion of lease payments		(286)	(766)
Proceeds from exercise of share options		–	45
Net cash flows used in financing activities		(3,286)	(3,721)
NET DECREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of period		100,687	160,678
Effect of foreign exchange rate changes, net		(1,232)	318
Cash and cash equivalents at end of period		79,859	92,912
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents as stated in the statement of financial position	18	79,859	92,912

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

1. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2025 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 2024.

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 2024, except for the adoption of the following amended IFRS Accounting Standard for the first time for the current period's financial information.

Amendments to IFRS 21	<i>Lack of Exchangeability</i>
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The nature and impact of the amended IFRS Accounting Standard are described below:

Amendments to IFRS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, 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 2025 (2024: No revenue from the Company's sales to a single customer amounted to 10% or more of the Group's revenue).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Revenue from contracts with customers	451,353	101,752

Revenue from contracts with customers

(a) Disaggregated revenue information

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Types of goods or services		
Game operations	427,737	83,312
– Gross basis	390,454	37,702
– Net basis	37,283	45,610
Online game distribution	14	192
Licensing income	3,047	6,498
Advertising revenue	18,638	9,646
Sale of goods	1,870	2,096
Technical service income	47	8
Total revenue from contracts with customers	451,353	101,752
Timing of revenue recognition		
Services transferred over time	2,735	6,498
Services and goods transferred at a point of time	448,618	95,254
Total revenue from contracts with customers	451,353	101,752

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

4. REVENUE, OTHER INCOME AND GAINS (Continued)

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Other income		
Government grants	551	1,418
Interest income	2,348	2,970
Gross rental income from investment property operating leases	3,076	3,152
Total other income	5,975	7,540
Gains		
Fair value gains:		
Financial assets	1,113	651
Other gains	763	406
Total other income and gains	7,851	8,597

5. PROFIT/(LOSS) BEFORE TAX

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

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Channel costs	80,158	11,782
Advertising expenses	232,176	22,359
Outsource fee	187	147
Depreciation of property, plant and equipment	1,501	1,387
Depreciation of right-of-use assets	1,115	1,193
Amortisation of other intangible assets	15	115
Lease payments not included in the measurement of lease liabilities	1,199	1,053
Loss on disposal of items of property, plant and equipment	–	140
Fair value gains, net		
Fair value (gains)/losses, net:		
Financial assets at fair value through profit or loss	(977)	11,012
Changes in fair value of investment properties, net	2,332	1,034
Loss on disposal of a subsidiary	5,197	–
Exchange difference, net	(119)	(181)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

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 Kailuo Tianxia and Xiamen Feixin, which were certified as High and New Technology Enterprises ("HNTEs") and entitled to a preferential income tax rate of 15% from 2022 to 2025, and Xiamen Yidou, Xiamen Youli and Xiamen Feiyu which were certified as High and New Technology Enterprises ("HNTEs") in 2024 and entitled to a preferential income tax rate of 15% from 2024 to 2027. Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the period.

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Current tax	1,199	–
Deferred tax	(35)	329
Total tax charge for the period	1,164	329

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 2025 (for the six months ended 30 June 2024: Nil).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

8. EARNING PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the 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 2024: 1,749,415,977) outstanding during the period, as adjusted to reflect the share issuance during the period.

The calculation of the diluted earnings per share amount is based on the 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 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.

	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Earnings		
Profit/(loss) attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	57,520	(1,586)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	1,749,442,062	1,749,415,977
Effect of dilution – weighted average number of ordinary shares:		
Share options	–	–
	1,749,442,062	1,749,415,977

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired items of property, plant and equipment with a cost of RMB1,819,000 (for the six months ended 30 June 2024: RMB311,000). Depreciation for items of property, plant and equipment was RMB1,501,000 during the period (for the six months ended 30 June 2024: RMB1,387,000).

During the six months ended 30 June 2025, there was no disposal of property, plant and equipment amounting (for the six months ended 30 June 2024: RMB195,000).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

10. INVESTMENT PROPERTIES

	30 June 2025 RMB'000 (Unaudited)
Carrying amount at 1 January	154,498
Additions (from acquisition)	51,368
Net loss from a fair value adjustment	(2,332)
Carrying amount at 30 June	203,534

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 2025 using			
	Quoted price in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Recurring fair value measurement for: Commercial property	–	–	203,534	203,534

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 (2024: Nil).

11. LEASES

During the six months ended 30 June 2025, the addition on right-of-use assets amounting to RMB3,900,000 (six months ended 30 June 2024: Nil). The depreciation incurred during the period amounting to RMB1,115,000 (six months ended 30 June 2024: RMB1,193,000).

12. GOODWILL

	RMB'000
At 30 June 2025 and 31 December 2024:	
Cost	432,278
Accumulated impairment	(420,851)
Net carrying amount	11,427

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

13. OTHER INTANGIBLE ASSETS

During the six months ended 30 June 2025, the Group did not acquire any intangible asset (for the six months ended 30 June 2024: Nil). Amortisation for intangible assets were RMB15,000 during the period (for the six months ended 30 June 2024: RMB115,000).

No intangible asset was disposed of for the six months ended 30 June 2025 and 2024.

14. INVESTMENT IN ASSOCIATES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Share of net assets	3,161	3,367
Goodwill on acquisition	11,195	11,195
	14,356	14,562

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

	30 June 2025 RMB'000 (Unaudited)	30 June 2024 RMB'000 (Unaudited)
Share of the associates' profits and losses for the period	14	2,622

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

15. 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 enhancement 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 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 3 months	62,735	51,019

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 2025 and 31 December 2024, the loss allowance was assessed to be minimal.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

16. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Non-current		
Prepayments	6,598	7,321
Prepaid land lease payments related deposits	1,605	1,605
Other receivables	15,964	18,165
Deposits	95	84
	24,262	27,175
Impairment allowance	(9,212)	(9,212)
	15,050	17,963
Current		
Prepayments	8,795	7,826
Investment property rental income	4,716	3,908
Deposits	308	237
Other receivables	24,057	20,984
	37,876	32,955
Impairment allowance	(17,292)	(17,300)
Total	20,584	15,655

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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17. 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 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Debt investments at fair value through other comprehensive income			
Straight bond	(1)	53,755	56,143
Equity investments designated at fair value through other comprehensive income			
Unlisted equity investments, at fair value	(2)	34,335	37,543
Financial assets at fair value through profit or loss			
Unlisted debt investments, at fair value	(3)	29,159	30,300
Listed equity investment, at fair value	(4)	2,043	1,815
		31,202	32,115

- (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 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.

During the second half of July 2021, the Group successively invested in a bond issued by Ease Trade Global Limited with an accumulated nominal amount of US\$2,800,000 at an accumulated consideration of US\$2,883,000 (equivalent to approximately RMB18.6 million). The bond has a coupon interest rate of 4.0% per annum with a maturity period of 5 years.

On 15 July 2021, the Group invested in a bond issued by New World Development Company Limited with a nominal amount of US\$3,500,000 at a consideration of US\$3,783,000 (equivalent to approximately RMB24.5 million). The bond has a coupon interest rate of 4.5% per annum with a maturity period of 10 years.

Debt investments at fair value through other comprehensive income are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

17. 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 (Continued)

- (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.

18. CASH AND CASH EQUIVALENTS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Cash and bank balances	76,608	97,420
Time deposits	3,251	3,267
Cash and cash equivalents	79,859	100,687
Denominated in RMB	66,837	88,295
Denominated in US\$	6,413	7,942
Denominated in HK\$	5,730	4,166
Denominated in SGD\$	879	284
Cash and cash equivalents	79,859	100,687

The RMB is not freely convertible into other currencies, however, under 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. The bank balances are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and bank balances approximate to their fair values.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

19. TIME DEPOSITS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Time deposits	90,000	90,000

Non-current time deposits represent deposits over one year. As at 30 June 2025, current time deposits of RMB10,000,000 carried a fixed interest rate at 3.25% per annum with maturity on May 2026 and RMB10,000,000 carried a fixed interest rate at 2.15% per annum with maturity on January 2026. Non-current time deposits of RMB30,000,000 carried a fixed interest rate at 2.85% per annum with maturity on November 2026 and RMB40,000,000 carried a fixed interest rate at 2.60% per annum with maturity on January 2027.

20. OTHER PAYABLES AND ACCRUALS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Salaries and welfare payables	28,934	42,641
Other payables and accruals	35,012	42,473
Other tax payables	4,795	5,322
Advances from customers	1,142	544
Total	69,883	90,980

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

21. INTEREST-BEARING BANK LOANS

	As at 30 June 2025			As at 31 December 2024		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Current						
Bank loans-secured	3.50	2025	6,000	3.60	2025	6,000
Non-current						
Bank loans – secured	3.50	2025-2038	80,500	3.60	2025-2038	83,500
Total			86,500			89,500

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Analysed into:		
Bank loans and overdrafts repayable:		
Within one year or on demand	6,000	6,000
In the second year	6,000	6,000
In the third to fifth years, inclusive	20,250	19,750
Beyond five years	54,250	57,750
Total	86,500	89,500

Notes:

- (a) The Group's long term loan facility amounted to RMB86,500,000 (2024: RMB100,000,000), of which RMB86,500,000 (2024: RMB100,000,000) had been drawn as at 30 June 2025.
- (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 2025. 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.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

22. CONTRACT LIABILITIES

Details of contract liabilities as at 30 June 2025 and 31 December 2024 are as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
<i>Current advances received</i>		
Online web and mobile games	9,497	5,970
Licensing income	1,414	1,511
	10,911	7,481
<i>Non-current advances received</i>		
Licensing income	2,948	3,316
Total contract liabilities	13,859	10,797

Contract liabilities mainly represented prepaid unconsumed virtual currencies, virtual items from players and upfront revenue sharing and remaining upfront licenses fee for online game services from game distribution platforms, for which the related services had not been rendered as at 30 June 2025.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

23. SHARE CAPITAL

Shares

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Issued and fully paid or credited as fully paid:		
Ordinary shares of US\$0.0000001 each	1,749,442,062	1,749,442,062
Equivalent to RMB'000	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 2024	1,749,166,062	1	604,566	604,567
Share options exercise	276,000	–	58	58
At 31 December 2024 and 1 January 2025	1,749,442,062	1	604,624	604,625
At 30 June 2025	1,749,442,062	1	604,624	604,625

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

24. 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 2023.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

24. EQUITY-SETTLED SHARE-BASED PAYMENTS (Continued)

Share option schemes (continued)

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

	2025	
	Weighted average exercise price HK\$ per share	Number of options '000
At 1 January	1.26	5,800
Exercised during the period	–	–
Expired during the period	–	–
At 30 June	1.26	5,800

	2024	
	Weighted average exercise price HK\$ per share	Number of options '000
At 1 January	0.93	8,300
Exercised during the year	0.18	(276)
Expired during the year	0.18	(2,224)
At 31 December	1.26	5,800

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

24. EQUITY-SETTLED SHARE-BASED PAYMENTS (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 2025

Number of options '000	Exercise price* HK\$ per share	Exercise period
5,800	1.26	31-12-2017 to 26-03-2027
5,800		

31 December 2024

Number of options '000	Exercise price* HK\$ per share	Exercise period
5,800	1.26	31-12-2017 to 26-03-2027
5,800		

* 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 5,800,000 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 5,800,000 additional ordinary shares of the Company, an additional share capital of approximately RMB4 and a share premium of approximately RMB6,648,687.

At the date of approval of these financial statements, the Company had 5,800,000 share options outstanding under the Schemes, which represented 0.33% of the Company's shares in issue as at that date.

No share option expense was recognised by the group for the six months ended 30 June 2025 (for the six months ended 30 June 2024: Nil).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

25. COMMITMENTS

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

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Contracted, but not provided for: Game operation	6,503	7,503

26. 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

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

26. 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	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Cloud sever service from (note (i)) Tencent	742	874
Channel service from (note (i)) Tencent	50,686	100
Revenue from (note (ii)) Tencent	9,311	5,100
Rental income from (note (iii)) Xianglian	357	339
Service outsourcing from (note (iv)) Xiamen Good Game Island	—	38

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.
- (iv) The service outsourcing from Xiamen Good Game Island was mutually agreed after taking into account the prevailing market prices.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

26. RELATED PARTY TRANSACTIONS (Continued)

(c) Balances with related parties

Due from related parties, associate and shareholders

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Tencent	20,738	22,853
Xiamen Good Game Island	1,944	1,274
Xiamen Plump Fish	1,500	1,500
Xiamen Huanmiao	450	–
Xianglian	196	–
Total	24,828	25,627

Due to related parties, associates and shareholder

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Xiamen Good Game Island	1,000	1,000
Tencent	121	197
Xiamen Plump Fish	80	80
Xianglian	79	79
Xiamen Huanmiao	–	250
Total	1,280	1,606

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

26. RELATED PARTY TRANSACTIONS (Continued)

(c) Balances with related parties (Continued)

Advance from a related party

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Xianglian	173	—

(d) Compensation of key management personnel of the Group

	For the six months ended 30 June 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Salaries, allowances and benefits in kind	1,099	1,102
Pension scheme contributions	73	64
Total	1,172	1,166

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

27. 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 2025

	Financial assets at fair value through other comprehensive income				Total RMB'000 (Unaudited)
	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)	
Debt investments at fair value through other comprehensive income	-	53,755	-	-	53,755
Equity investments designated at fair value through other comprehensive income	-	-	34,335	-	34,335
Financial assets at fair value through profit or loss	31,202	-	-	-	31,202
Accounts receivable and receivables due from third-party game distribution platforms and payment channels	-	-	-	62,735	62,735
Financial assets included in prepayments, other receivables and other assets	-	-	-	21,969	21,969
Cash and cash equivalents	-	-	-	79,859	79,859
Total	31,202	53,755	34,335	164,563	283,855

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

27. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

Financial assets (continued)

As at 31 December 2024

		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	–	56,143	–	–	56,143
Equity investments designated at fair value through other comprehensive income	–	–	37,543	–	37,543
Financial assets at fair value through profit or loss	32,115	–	–	–	32,115
Accounts receivable and receivables due from third-party game distribution platforms and payment channels	–	–	–	51,019	51,019
Financial assets included in prepayments, other receivables and other assets	–	–	–	26,787	26,787
Cash and cash equivalents	–	–	–	100,687	100,687
Total	32,115	56,143	37,543	178,493	304,294

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

27. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

Financial liabilities

	Financial liabilities at amortised cost	
	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Financial liabilities included in other payables and accruals	32,530	14,890
Interest-bearing bank loans	86,500	89,500
Total	119,030	104,390

28. 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 calculate 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.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

28. 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 2025 and 31 December 2024:

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Certain equity investments (2025: five equity investments 2024: five equity investments)	Valuation multiple	Average EV/ Revenue multiple of peers	2025: 1.5 to 5.6 (2024: 1.4 to 6.1)	5% (2024:5%) increase/decrease in multiple would result in increase/decrease in fair value by RMB1,443,000/RMB1,447,000 (2024: RMB1,420,000/RMB1,422,000)
		Discount for lack of marketability	2025: 11% to 34% (2024: 9% to 21%)	5% (2024:5%) increase/decrease in multiple would result in decrease/increase in fair value by RMB387,000/RMB390,000 (2024: RMB421,000/RMB372,000)

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.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

28. 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 2025

	Fair value measurement using			Total RMB'000 (Unaudited)
	Quoted price in active markets (Level 1) RMB'000 (Unaudited)	Significant observable inputs (Level 2) RMB'000 (Unaudited)	Significant unobservable inputs (Level 3) RMB'000 (Unaudited)	
Debt investments at fair value through other comprehensive income	–	53,755	–	53,755
Financial assets at fair value through profit or loss	2,043	29,159	–	31,202
Equity investments designated at fair value through other comprehensive income	–	–	34,335	34,335
Total	2,043	82,914	34,335	119,292

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

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

Fair value hierarchy (Continued)

As at 31 December 2024

	Fair value measurement using			Total RMB'000
	Quoted price in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Debt investments at fair value through other comprehensive income	–	56,143	–	56,143
Financial assets at fair value through profit or loss	1,815	30,300	–	32,115
Equity investments designated at fair value through other comprehensive income	–	–	37,543	37,543
Total	1,815	86,443	37,543	125,801

The Group did not have any financial liabilities measured at fair value as at 30 June 2025 and 31 December 2024.

For the period ended 30 June 2025, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2024: Nil).

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

	2025 RMB'000 (Unaudited)	2024 RMB'000 (Audited)
Equity investments at fair value through other comprehensive income – unlisted:		
At 1 January	37,543	34,204
Total gains recognised in other comprehensive income	(3,208)	3,339
At 30 June	34,335	37,543

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

29. EVENTS AFTER THE REPORTING PERIOD

On 25 July 2025, the Board resolved to grant an aggregate of 125,740,000 Share Options of the Company to 2 senior management and 14 employees of the Group to subscribe for an aggregate of 125,740,000 new Shares in the share capital of the Company under the 2024 Share Option Scheme, subject to acceptance. Upon full exercise of the Share Options, the Shares to be allotted and issued thereunder represent approximately 7.19% of the total number of Shares in issue as at the date of grant and approximately 6.71% of the enlarged issued share capital of the Company. For details, please refer to the Company's announcement dated 25 July 2025.

30. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised by the board of the directors on 27 August 2025.

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)

GLOSSARY

“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.