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CMGE Technology Group Limited
中手游科技集团有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0302)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board (the "**Board**") of directors (the "**Directors**") of CMGE Technology Group Limited (the "**Company**", together with its subsidiaries and consolidated operating entities in the People's Republic of China (the "**PRC**"), collectively referred to as the "**Group**") is pleased to announce the unaudited consolidated interim results of the Group for the six months ended 30 June 2026 (the "**Reporting Period**"). The interim results for the Reporting Period have been reviewed by the Company's audit committee (the "**Audit Committee**").

FINANCIAL SUMMARY

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue	**355,122**	763,034
Loss for the period	**(89,735)**	(644,254)
Loss for the period attributable to owners of the parent	**(90,155)**	(638,550)

BUSINESS REVIEW

For the six months ended 30 June 2026, the Group recorded a net loss of RMB89.7 million during the Reporting Period, representing a significant narrowing of the loss compared to the same period last year. During the Reporting Period, the Group launched several new games, mainly including:

- *New Romance of the Three Kingdoms: The Legend of Cao Cao* (新三國志曹操傳) launched in Hong Kong, Macau, Taiwan, Singapore and Malaysia

- *Sangokushi: Gisaicai* (三國志：極彩) launched in Japan

- *Fights Break Firmament: Wushuang* (斗破蒼穹：無雙) launched in Indonesia, the Philippines and Thailand

- Two legendary-type games launched in Mainland China

The newly launched games achieved favourable market performance. For the six months ended 30 June 2026, the Group recorded overseas business revenue of RMB77.7 million.

The Group entered into a strategic cooperation with Hangzhou Tianqiong Interactive Network Technology Co., Ltd. (杭州天穹互動網絡科技有限公司) ("**Tianqiong Interactive**"), obtaining authorisation for the two classic intellectual properties ("**IP**"), Legend of MIR (熱血傳奇) and The World of Legend (傳奇世界), becoming one of the partners in the full chain of publishing and research and development of legendary category games. Based on this strategic cooperation, the two legendary-type products have been officially launched during the Reporting Period. Beijing Wenmai Hudong Technology Company Limited ("**Wenmai Hudong**"), a wholly-owned subsidiary of the Group and a game developer with strong independent research and development capabilities in the legendary category, has also commenced multiple rounds of testing for its self-developed new legendary game *Dark Night Legend* (暗夜傳奇), which is scheduled to launch within the year after fine-tuning, and is expected to continue the success of its predecessor *The World of Legend — Thunder Empire* (傳奇世界之雷霆霸業).

In May 2026, the Group entered into an in-depth strategic cooperation with Hangzhou Jiyi Artificial Intelligence Technology Co., Ltd. (杭州極逸人工智能科技有限公司) ("**Jiyi Artificial Intelligence**"), jointly launching GamePartner.AI, an AI-driven one-stop artificial intelligence ("**AI**") game intelligence platform covering market insights, game development to global publishing for the global casual game market, aimed at helping to build an ecosystem for Chinese casual game developers to expand overseas. In June 2026, multiple casual game products launched on the platform were successively released on mainstream overseas game platforms such as Apple App Store and Google Play, and are seeking scaled commercial promotion. As an AI-driven one-stop intelligence platform, GamePartner.AI takes improving efficiency, reducing costs, rapid monetisation, data-driven approach, and global reach as its core values, precisely addressing the four major pain points of small and medium-sized development teams and creators: lack of personnel, lack of funds, lack of resources, and lack of monetisation capabilities. It launches game products with commercialisation potential for the global casual game market, and is able to provide comprehensive, full-scenario, and full-process support for small and medium-sized development teams and creators. In the intelligent development process, GamePartner.AI has achieved a one-click generation capability from concept to playable game, allowing developers to complete creative input simply through natural language descriptions, significantly shortening the traditional creative validation and development cycle from several weeks or even months to days or even hours, markedly enhancing creative implementation efficiency and market responsiveness. The development cost for a single casual game that reaches commercial promotion standards can be as low as thousand of RMB.

While actively launching new games, the Group has always focused on long-term operation, formulating reasonable long-term operation plans for launched game products. The IP quality game *One Piece: The Road of the Strong* (航海王強者之路) has been in operation for over 10 years and still maintains a stable revenue scale, generating substantial profits for the Group. *Legend of Sword and Fairy: Wen Qing* (新仙劍奇俠傳之揮劍問情) has maintained a monthly version update frequency since its launch, continuously providing fresh game content to users, and has also brought considerable returns to the Group. Games such as *One Piece: The Voyage* (航海王熱血航線), *Naruto: Konoha Masters* (火影忍者：木葉高手), *Dynasty Warriors: Hegemony* (真•三國無雙霸), *The National Gunlord — The Frontier* (全民槍神：邊境王者), *Battle of Ling Xiao* (淩霄戰紀) and *Happy Mahjong* (歡樂真人麻將) are all operating steadily. The self-developed Three Kingdoms-themed strategy mobile game, *World of Castellan* (城主天下) and its overseas version *Three Kingdoms: Heroes of the Land* (三國•群英燎原), developed by Wenmai Hudong, have also become long-term operation game projects.

Global Publishing Business

During the Reporting Period, the Group launched a number of IP quality games and innovative mini games in Mainland China and overseas. At the same time, several games already launched and in operation under the Group continued to maintain stable revenue performance.

Game Publishing in Mainland China

In March 2026, the Group has entered into a strategic cooperation with Tianqiong Interactive, obtaining the authorisation for two classic IPs, Legend of MIR (熱血傳奇) and The World of Legend (傳奇世界). The parties have jointly established a joint venture to further integrate resources, coordinate efforts, and continue to deepen their presence in the legendary game market while expanding business development opportunities. Tianqiong Interactive reached a significant cooperation with Shengqu Games (盛趣遊戲) in 2025 regarding the licensing of intellectual property rights relating to the online games *Legend of MIR* (熱血傳奇) and *The World of Legend* (傳奇世界). Under this agreement, Tianqiong Interactive will hold exclusive rights to derivative games, IP protection, derivative products, virtual merchandise and film and television products derived from the two major IPs, Legend of MIR (熱血傳奇) and The World of Legend (傳奇世界), in Mainland China (excluding personal computer ("**PC**") games). After entering into a long-term strategic cooperation with Tianqiong Interactive, the Group has become one of the partners in the full chain of publishing and research and development of legendary category games. The two legendary-type products facilitated by this strategic cooperation have been officially launched during the Reporting Period.

Overseas Publishing of Games

In March 2026, *New Romance of the Three Kingdoms: The Legend of Cao Cao* (新三國志曹操傳) was simultaneously launched in Hong Kong, Macau, Taiwan, Singapore and Malaysia. After launch, it ranked as high as No. 1 on the Top Free Game List of Apple's App Store in Hong Kong and Macau, and as high as No. 5 on the Top Free Game List of Apple's App Store in Taiwan.

Officially licensed by China Literature Limited and developed by Shenzhen EZfun Interactive Technology Co., Ltd., a developer in which the Group invested, the faithfully recreated Dynasty Warriors type action mobile game *Fights Break Firmament: Wushuang* (斗破蒼穹：無雙), published by the Group, officially launched in Hong Kong, Macau, Taiwan, Singapore and Malaysia on 9 April 2025, and subsequently officially launched in Indonesia, the Philippines, and Thailand in April 2026. The success of this game once again demonstrates that the Group's game adaptation of the Fights Break Firmament (斗破蒼穹) IP has achieved remarkable success. By faithfully recreating the fantasy world and core storyline of the original work, while also achieving product innovation through Dynasty Warriors-style action gameplay, it has demonstrated that high-quality adaptations of premium online literature IPs can transcend geographical and cultural barriers, gaining user recognition across multiple markets in Southeast Asia. This fully reflects the commercial value of combining IP adaptation with global publishing.

In April 2026, the Group launched a new game *Sangokushi: Gisaicai* (三國志 • 極彩) in Japan. The game is set against the historical backdrop of the Three Kingdoms wars at the end of the Han Dynasty in China, with a focus on portraying the female characters amidst the chaotic wars.

In July 2026, the Group launched the game *Island Genesis* (開局一座島) in Hong Kong, Macau, Taiwan, Singapore and Malaysia. After launch, it immediately climbed to No. 3 on the Top Free Game List of Apple's App Store in Hong Kong, Macau and Taiwan, No. 3 on the Top Free Game List of Google Play in Taiwan, No. 25 on the Apple App Store Best Selling Game List in Taiwan and Macau, and No. 35 on the Apple App Store Best Selling Game List in Hong Kong.

Self-Developments Business

The Group conducted multiple game running tests for a new legendary game *Dark Night Legend* (暗夜傳奇) self-developed by Wenmai Hudong during the Reporting Period prior to its launch. To establish the game's quality as a benchmark among similar products, the development team extended the period for adjustment and optimisation and strived to offer players a perfect user experience. Therefore, the launch of the game will be postponed to the second half of 2026. The Group believes the launch of the game will become another outstanding self-developed product of Wenmai Hudong, providing strong support for the Group's continuous efforts in the research and development of self-developed games.

IP Operation Business

The Group continues to advance the creation of the "Legend of Sword and Fairy (仙劍) IP universe". During the Reporting Period, the Group's IP licensing revenue was RMB23.1 million.

Game licensing cooperation based on *Legend of Sword and Fairy* (仙劍奇俠傳) continues to be carried out on a long-term basis. Among them, the development of the single-player game *Legend of Sword and Fairy 4: Remake* (仙劍奇俠傳四：重制) has made positive progress, and in June 2026, the game obtained its license. The gameplay trailer *"The Way of Heaven Is Ever-Shifting"* (天道無常) released in December 2025 quickly topped Bilibili's trending list within 48 hours after release, sparking widespread discussion among players and the industry, fully demonstrating the enduring vitality and market appeal of the *Legend of Sword and Fairy* (仙劍奇俠傳) IP. The two existing mobile games under the *Legend of Sword and Fairy* (仙劍) IP, *Legend of Sword and Fairy: The New Beginning* (仙劍奇俠傳：新的開始) and *Legend of Sword and Fairy: Wen Qing* (新仙劍奇俠傳之揮劍問情), continued to provide lasting content and service support to core user groups through sustained content iteration, launching extensive long-term operation activities, and active community engagement. The Group, in collaboration with Kingnet (愷英網絡), after renewing the licensing agreement for *Legend of Sword and Fairy: The New Beginning* (仙劍奇俠傳：新的開始), established a new licensing cooperation for another card-based game adapted from the *Legend of Sword and Fairy* (仙劍奇俠傳) IP. The crossover collaboration between *Legend of Sword and Fairy 3* (仙劍奇俠傳三) and *JX3* (劍網三) officially commenced in April 2026 and received very positive player feedback. In May 2026, the Group entered into a cooperation with Jiangsu Sanjiu Interactive Network Technology Co., Ltd. (江蘇叁九互娛網絡技術有限公司) to adapt a role-playing game based on the *Legend of Sword and Fairy* (仙劍) IP. In June 2026, the original versions of *Legend of Sword and Fairy 1-3* (仙劍奇俠傳1-3) were officially launched on the KK Battle Platform, with full customisation and editing of game storylines, maps, and gameplay, supporting players to freely create games for free, inviting players to jointly build a new *Legend of Sword and Fairy* (仙劍) user generated content ("**UGC**") world.

In the area of film and television licensing cooperation, the Group has entered into a strategic cooperation with Tencent's Penguin Pictures (企鵝影視) to co-produce an animated series of *Legend of Sword and Fairy 3* (仙劍奇俠傳三), which was officially broadcast on Tencent Video on 30 December 2025. The animated series surpassed 1 million pre-launch reservations, and upon release, its peak in-platform popularity reached 18,103, receiving significant attention and recognition from audiences. The *Legend of Sword and Fairy* (仙劍奇俠傳) radio drama co-produced by the Group and the Rabbit U Platform (兔U平台) was officially released in July 2026 and began serialisation. The production of the animation series of *Legend of Sword and Fairy 4* (仙劍奇俠傳四) has also begun, and the style test video was first unveiled in November 2025. The animation series will be jointly launched by Bilibili and the Group. Meanwhile, the Group has entered into collaborations with Bilibili, Spirited Media (有朝氣影視) and Mahua Fun Age (開心麻花) respectively, to jointly create multiple animated works, live-action series, and live-action short dramas adapted from the *Legend of Sword and Fairy* (仙劍奇俠傳) series.

Following the successive publication of the three novels *Legend of Sword and Fairy 1* (仙劍奇俠傳一), *Legend of Sword and Fairy 2* (仙劍奇俠傳二) and *Legend of Sword and Fairy 4* (仙劍奇俠傳四), the *novels Legend of Sword and Fairy 3* (仙劍奇俠傳三), and the official original derivative work of *Legend of Sword and Fairy 3* (仙劍奇俠傳三) series, *Yao Tai Xue* (瑤台雪), co-published by the Group and CITIC Press Corporation (中信出版集團股份有限公司), were also officially released in July 2026.

The Group established a wide range of cooperation networks in relation to physical derivatives and commercial licensing, to develop new products derived from the *Legend of Sword and Fairy* (仙劍) IP in a continuous manner. In April 2026, the Group entered into a collaboration with Shanghai LaoFengXiang Co., Ltd. (上海老鳳祥有限公司) to jointly launch the "LaoFengXiang x Legend of Sword and Fairy" co-branded series. The collaboration deeply focuses on core classic characters such as Li Xiao Yao (李逍遙) and Zhao Linger (趙靈兒), and extracts iconic Xianxia (仙俠) cultural symbols including the Five Spirit Orbs, Nüwa, and the Heavenly Serpent Staff. Leveraging the craftsmanship of gold and silver filigree, the collaboration has created a full range of Xianxia-themed jewellery merchandise covering gold ornaments, silver jewellery, metal figurines, and other categories.

One-Stop AI Game Intelligence Platform

In May 2026, the Group entered into an in-depth strategic cooperation with Jiyi Artificial Intelligence, jointly launching GamePartner.AI, an AI-driven one-stop AI game intelligence platform covering market insights, game development to global publishing for the global casual game market, helping to build an ecosystem for Chinese casual game developers to expand overseas. In June 2026, multiple casual game products launched on the platform, such as *Math Solitaire — Logic Puzzle* (數字紙牌), *Cozy Yarn: Dots Connect Puzzle* (溫馨毛線), *Gems Sort: Color Match* (繽紛寶石), *Sorting Go: Mini Mart* (出發吧！便利店) and *Royal Category Sort* (皇室編錄), were successively released on mainstream overseas game platforms such as Apple App Store and Google Play, and are seeking scaled commercial promotion.

As an AI-driven one-stop intelligence platform, GamePartner.AI takes improving efficiency, reducing costs, rapid monetisation, data-driven approach, and global reach as its core values, precisely addressing the four major pain points of small and medium-sized development teams and creators: lack of personnel, lack of funds, lack of resources, and lack of monetisation capabilities. It launches game products with commercialisation potential for the global casual game market, providing comprehensive, full-scenario, full-process empowerment support for domestic small and medium-sized development teams and creators. In the intelligent research and development process, GamePartner.AI has achieved a key breakthrough in AI-driven full-process game development, creating a one-click generation capability from concept to playable game, breaking down professional technical barriers. Developers can complete creative input simply through natural language descriptions or by uploading reference videos. It significantly shortens the traditional creative validation and development cycle from several weeks or even months to days or even hours, markedly enhancing creative implementation efficiency and market responsiveness. The development cost for a single casual game that reaches commercial promotion standards can be as low as thousand of RMB. The GamePartner.AI platform has officially launched the first batch of developer recruitment, opening up platform testing qualifications, attracting the attention and onboarding of over 300 small and medium-sized development teams and independent creators.

The launch of GamePartner.AI will serve as a powerful boost for the Group's expansion of mini-game publishing business in overseas regions. The Group will fully leverage its accumulated global publishing capabilities and localisation operation advantages to assist games developed through the GamePartner.AI platform in their promotion on Apple App Store and Google Play, and achieve quick integration with mainstream advertising platforms such as Google AdMob and AppLovin. GamePartner.AI will provide continuous tracking services for launched games on data such as user retention, advertising monetisation efficiency, and download performance in various regions, serving as an important basis for subsequent optimisation of platform capabilities and improvement of support policies for onboarded developers.

Awards and Recognitions

The Group was rated as the Most Influential Enterprise by the Shenzhen Futian District General Chamber of Commerce (深圳市福田區總商會) in May 2026.

Social Responsibility

The Group has been actively committed to fulfilling its social responsibility by incorporating "public welfare and social responsibility" into its core corporate culture.

With regard to the protection of minors, the Group has always strictly adhered to the relevant national policies, and all published games are embedded with a real-name authentication system, an anti-addiction system and age limit reminders, striving to ensure the healthy growth of minors.

Meanwhile, the Group has also been actively involved in the cause of social welfare development, with a particular focus on the healthy learning and growth of the youth, guiding and helping them to develop good reading habits. The Group has successively collaborated with China Population Welfare Foundation (中國人口福利基金會) and Lingshan Foundation (靈山基金會), and has long supported the "CMGE Dream Libraries" (中手游築夢圖書館) project for a long time to promote reading among the youth, and the operation of this project has been under steady implementation. From 2017 to the present, 14 "CMGE Dream Libraries" have been established in multiple provinces, and has donated science experiment material packages, book and chair sets, and other learning equipment to student groups.

OUTLOOK FOR THE SECOND HALF OF 2026

Although the Group's revenue declined during the Reporting Period compared to the same period last year, the Group has made active strategic arrangements across its three core business segments — game publishing, game development, and IP licensing. The extensive game pipeline and upcoming IP licensing collaborations are expected to drive revenue growth in the second half of 2026 and beyond.

Global Publishing Business

Game Publishing in Mainland China

The table below sets forth the product reserves planned to be published by the Group in Mainland China in the second half of 2026:

Project	Latest Progress	Platform	Type	IP	Publishing Area	License
1. *Code: Zhetian* (代號：遮天)	Under development	Application ("**APP**")/ Mini-game	Card	Zhetian (遮天)	Global	Application in progress
2. *Wulin Xiadou* (武林俠斗)	Testing	APP/Mini-game	Card role playing game ("**RPG**")	/	Mainland China	Obtained
3. *Code: Tianqiong* (代號：天穹)	Testing	APP/Mini-game	Idle RPG	/	Mainland China	Obtained
4. *Code: New Legend* (代號：新傳奇)	Under development	APP/Mini-game	RPG	Legend (傳奇)	Mainland China	Obtained

The Group adheres to the development strategy of "low-cost trial and error, large-scale promotion, and rapid iteration". Relying on the Group's own IP resource advantages, the Group takes the "APP + mini-game" dual-end layout as its core business model, and focuses on the card RPG game category, idle RPG game category, and lightweight massively multiplayer online role-playing game ("**MMORPG**") game category as its main competitive segments.

In the above three major segments, the Group plans to launch three card RPG games including *Code: Zhetian* (代號：遮天), *Code: Tianqiong* (代號：天穹) and *Wulin Xiadou* (武林俠斗), as well as lightweight MMORPG *Code: New Legend* (代號：新傳奇) in the second half of 2026.

- *Code: Zhetian* (代號：遮天) is a card RPG mobile game developed based on the official IP license of Zhetian (遮天), supporting both APP and mini-game versions, with a core experience of "plot immersion + strategic cultivation + IP restoration". The game is highly faithful to the original work, precisely catering to Zhetian fans who seek restoration of the original plot and worldview, strategy-oriented players who enjoy card strategy, free lineup combinations and tactical gameplay, as well as casual cultivation enthusiasts who prefer light idle gameplay while still enjoying deep character development.

- *Wulin Xiadou* (武林俠斗) is a card RPG product with a chibi-style figures cartoon aesthetic set in the Three Kingdoms theme, supporting both APP and mini-game versions. The characters in the game are presented in exquisite Q-version figures styles with high visual recognition, and incorporate a variety of gameplay mechanics. The game will adopt a two-stage commercialisation design of "early-stage card-based user acquisition and mid-stage RPG deep monetisation", building a long-term character development system and a healthy payment ecosystem.

- *Code: Tianqiong* (代號：天穹) is a card RPG mobile game developed based on the traditional Journey to the West theme with original adapted storylines, supporting both APP and mini-game versions. The game adopts a Chinese-style art style, allowing players to build their own pilgrimage teams and experience different journeys to the West. The game strives to create a sense of immersion for players and deliver a nostalgic RPG experience.

- *Code: New Legend* (代號：新傳奇) is a mobile game product published by the Group on behalf of a third-party developer, adapted from the Legend of MIR (熱血傳奇) IP, supporting both APP and mini-game versions. The game is a portrait-mode super-variant Legend mobile game that supports one-handed operation, featuring a converged all-in-one single profession and a distinctive character development system. The game has entered the testing phase and will be launched within 2026.

At the same time, in the card RPG game category and idle RPG game category, the Group has also reserved a number of blockbuster games to be launched in 2027 or beyond.

- *Code: New Soul Land* (代號：新斗羅) is a card RPG mobile game developed based on the official IP license of Soul Land (斗羅大陸), supporting both APP and mini-game versions, and is scheduled to enter the testing phase in 2027. The game breaks the limitations of traditional card games, with official IP license as its foundation, Chinese anime-style art as its appearance, strategic card gameplay as its core, and a comprehensive character development system as its support, creating an immersive soul master world for Soul Land fans and card game enthusiasts.

- *Code: DreamWorks All Stars* (代號：夢工場全明星) is a card RPG mobile game developed based on the official IP license licensed from Universal Products & Experiences, supporting both APP and mini-game versions, and is currently under development. The game brings together numerous well-known and beloved DreamWorks Animation series brands, including the Shrek series, Madagascar series, Kung Fu Panda series, How to Train Your Dragon series, and The Bad Guys, as well as many other popular and brand-new works. The iconic star characters from these series will also appear in the game to accompany players on their magical adventures, allowing fans to experience the joy of controlling their favorite characters firsthand.

In the lightweight MMORPG game category, the Group has reserved multiple games to be launched in 2027 or beyond.

- *Code: Pocket Expedition* (代號：口袋遠征) is a lightweight MMORPG mobile game product adapted from the PC game *Expedition Online* (遠征online), which was developed by Shenzhen Bingchuan Network Co., Ltd. (Stock Code: 300533.SZ), a company listed on the A-share main board. The game supports both APP and mini-game versions, and is scheduled to enter the testing phase in 2027.

- *Code: Legend of Sword and Fairy Turn-Based MMO* (代號：仙劍回合制MMO) is a lightweight turn-based MMO game product adapted from the *Legend of Sword and Fairy* (仙劍奇俠傳) IP. Different from traditional turn-based MMO games, this game adopts a portrait-mode operation, which is very friendly to casual players. Moreover, compared with card-based gameplay, the MMO gameplay adds rich experiences such as an open world, social interactions, trading, guilds, and more, making it highly anticipated.

Overseas Publishing of Games

The Group has a rich schedule of overseas game launches for the second half of 2026.

In July 2026, the Group launched *Island Genesis* (開局一座島) in Hong Kong, Macau, Taiwan, Singapore and Malaysia. After launch, it immediately climbed to No. 3 on the Top Free Game List of Apple's App Store in Hong Kong, Macau and Taiwan, No. 3 on the Top Free Game List of Google Play in Taiwan, No. 25 on the Apple App Store Best Selling Game List in Taiwan and Macau, and No. 35 on the Apple App Store Best Selling Game List in Hong Kong. The brand new card RPG mobile game *Monster Loop: Beast God Reincarnation* (Monster Loop：獸神轉生) also commenced pre-registration on major game platforms in Japan in July 2026, and will officially launch in Japan on 27 August 2026.

The table below sets forth the product reserves planned to be published by the Group in overseas regions in the second half of 2026:

Project	Latest Progress	Platform	Type	IP	Publishing Area	License
1. *Island Genesis* (開局一座島)	Launched in July 2026	APP	Tower Defence + Card	/	Hong Kong, Macau and Taiwan/Singapore/ Malaysia	/
2. *Monster Loop: Beast God Reincarnation* (Monster Loop：獸神轉生)	To be launched on 27 August 2026	APP	Card RPG	/	Japan	/
3. *Island Genesis* (開局一座島)	To be launched	APP	Tower Defence + Card	/	Europe/America/Korea/ Southeast Asia	/
4. *Soul Land: Shrek Academy* (斗羅大陸：史萊克學院)	To be launched	APP	MMORPG	Soul Land (斗羅大陸)	Russia	/
5. *Fights Break Firmament: Peak Confrontation* (斗破蒼穹：巔峰對決)	To be launched	APP	MMORPG	Fights Break Firmament (斗破蒼穹)	Vietnam/Korea	/
6. *Pocket Conquer* (口袋征服)	To be launched	APP	MMORPG	Conquer (征服)	Hong Kong, Macau and Taiwan/Singapore/ Malaysia/Southeast Asia	/
7. *Legend of Sword and Fairy: World* (仙劍世界)	To be launched	APP/PC	Open World	Legend of Sword and Fairy (仙劍奇俠傳)	Hong Kong, Macau and Taiwan/Singapore/ Malaysia	/

The following are introductions to some of the games:

- *Island Genesis* (開局一座島) achieved impressive chart rankings after its launch in Hong Kong, Macau, Taiwan, Singapore and Malaysia in July 2026. The Group will successively expand into the Europe and America, Korea and Southeast Asia markets, and believes that the game's performance in these markets will be equally promising.

- *Monster Loop: Beast God Reincarnation* (Monster Loop：獸神轉生) is an idle card mobile game with an anthropomorphic animal design of Three Kingdoms generals, jointly launched by the Group and Feiyu Technology International Company Ltd. (Stock Code: 01022.HK), a company listed on the Main Board of the Hong Kong Stock Exchange, in the Japanese market. The game was previously launched in Mainland China under the name *Beast Three Kingdoms* (獸化三國) and achieved the 35th place on the WeChat Mini Game Best Selling List. The game is an idle game that combines card collection and guild battle gameplay, suitable for both casual players and mid-core card game players. Based on the game's past performance and player base in Mainland China, the Group is confident that *Monster Loop: Beast God Reincarnation* (Monster Loop: 獸神轉生) will become a long-term operation game product in the Japanese market.

- *Soul Land: Shrek Academy* (斗羅大陸：史萊克學院), as a successful MMORPG game adapted from the Soul Land (斗羅大陸) novel and animation IP, achieved an impressive first-month gross billing of over RMB100 million upon its initial launch in Mainland China in January 2024, and ranked first in multiple charts. At the same time, the game has also been launched in multiple overseas regions. Building on past success, the Group will enter the Russian market, where MMORPG games are the most popular genre, and is confident in achieving good results in the Russian market.

- *Pocket Conquer* (口袋征服) is a 3D mobile game re-created by the Group in collaboration with a wholly-owned subsidiary of NetDragon Websoft Holdings Limited (Stock Code: 0777.HK), a company listed on the Main Board of the Hong Kong Stock Exchange, based on NetDragon's self-developed PC game *Conquer* (征服), retaining the core content of the PC game. As the first Chinese online game company to establish an independent operation model in the US market, NetDragon began operating *Conquer* (征服) in the North American market after its launch in 2003. To date, it has successively released multiple versions in Chinese, English, Spanish, French and other languages, and has a large number of active overseas players in more than 100 countries and regions. *The Pocket Conquer* (口袋征服) mobile game product launched by the Group based on NetDragon's *Conquer* (征服) game will focus on expanding into the Hong Kong, Macau, Taiwan, Singapore, Malaysia and other Southeast Asian markets, injecting important momentum into the Group's overseas business development.

It is believed that with the successive launch of multiple overseas games in 2026, the Group's overseas game revenue will be further boosted. On the basis of this launch schedule, the Group has also positioned two games in the female-oriented game category, namely *Code: Victoria* (代號：維多利亞) and *Code: Island* (代號：海島), both of which adopt simulation management gameplay and art styles that are currently very popular among overseas players, and are planned to be launched in 2027 or beyond.

Self-Development Business

Additionally, a brand new legendary game self-developed by Wenmai Hudong, *Dark Night Legend* (暗夜傳奇), has undergone multiple rounds of testing. Also exclusively published by Wanxinbuzhi (玩心不止), it is set to be officially launched within 2026. The gameplay of the game is in line with the previous successful game *The World of Legend — Thunder Empire* (傳奇世界之雷霆霸業). The Group is confident that the game will continue the market performance of its predecessor, *The World of Legend — Thunder Empire* (傳奇世界之雷霆霸業), and become another outstanding self-developed product of Wenmai Hudong.

Legend of Sword and Fairy (仙劍奇俠傳) IP Operation

Up to now, *Legend of Sword and Fairy* (仙劍) IP Matrix has covered games, comics, literature, content experience, real-scene entertainment, films and television series, animation, music, virtual idols, derivative products and other fields. Focusing on the future, the Group will create more high quality content, reach young consumers who are interested in *Legend of Sword and Fairy* (仙劍) IP and Chinese-style elements by various channels, and continuously enhance the reputation of *Legend of Sword and Fairy* (仙劍奇俠傳) among young people and further enrich the users' interactive experience.

In the field of game licensing, the Group will continue to carry out extensive game licensing collaborations. The two currently launched mobile games under the *Legend of Sword and Fairy* (仙劍) IP, *Legend of Sword and Fairy: The New Beginning* (仙劍奇俠傳：新的開始) and *Legend of Sword and Fairy: Wen Qing* (新仙劍奇俠傳之揮劍問情), are both in continuous operation, providing long-term content and service support to the core user base of the *Legend of Sword and Fairy* (仙劍). The immersive interactive entertainment project *AStation Legend of Sword and Fairy XR* (AStation 仙劍 XR), developed by the Group in collaboration with Beijing Huanjin Digital Research Technology Co., Ltd. (北京幻景數研科技有限公司), was officially launched in July 2026. The Group's self-developed game *Legend of Sword and Fairy: World* (仙劍世界) is also scheduled to launch in overseas regions in the second half of 2026. In addition, a number of games adapted under the *Legend of Sword and Fairy* (仙劍) IP have commenced development and are expected to launch in future years, including a new game project under the *Legend of Sword and Fairy* (仙劍奇俠傳) jointly launched by the Group and Kingnet (愷英網絡), a role-playing game project adapted from the *Legend of Sword and Fairy* (仙劍) IP by the Group and Jiangsu Sanjiu Interactive Network Technology Co., Ltd. (江蘇叁九互娛網絡技術有限公司), as well as a lightweight MMO game project *Code: Legend of Sword and Fairy Turn-Based MMO* (代號：仙劍回合制MMO). The launch of these games is expected to generate sustained revenue for the Group and enhance the market influence of the *Legend of Sword and Fairy* (仙劍) IP.

The *Legend of Sword and Fairy* (仙劍) IP also maintains a well-established presence in game crossover collaborations. Following the crossover collaboration between *Legend of Sword and Fairy 3* (仙劍奇俠傳三) and *JX3* (劍網三) in April 2026, the anniversary crossover version of *Legend of Sword and Fairy 3* (仙劍奇俠傳三) and *Tianlong Ba Bu: Return* (天龍八部 • 歸來), as well as the crossover collaboration between *Legend of Sword and Fairy* (仙劍奇俠傳) and *Fantasy Westward Journey* (夢幻西遊) PC Edition, were launched in July and August 2026, respectively. More game crossover licensing collaborations are being actively developed and are scheduled to be launched progressively in the second half of this year and in 2027. The licensing collaboration for the official release of the original versions of *Legend of Sword and Fairy 1-3* (仙劍奇俠傳1-3) on the KK Battle Platform (KK對戰平台) will also bring ongoing game licensing revenue to the Group in the second half of 2026 and beyond.

Film, television and animation productions in preparation include: (i) the animated series of *Legend of Sword and Fairy 4* (仙劍奇俠傳四), jointly launched by Bilibili and the Group, is in production; (ii) the Group and Bilibili will also jointly create an animated adaptation of the classic game *Legend of Sword and Fairy 1* (仙劍奇俠傳一); (iii) the original live-action series *Legend of Sword and Fairy: The Mortal World* (仙劍染歸塵) and *Legend of Sword and Fairy 2 Gaiden • Memories* (仙劍奇俠傳二外傳 · 憶如傳) are both in active preparation and production, and are expected to continue the popularity of the three new *Legend of Sword and Fairy* (仙劍) television dramas launched in early 2024, namely *Sword and Fairy: Youjian Xiaoyao* (又見逍遙), *Legend of Sword and Fairy 6: Qi Jinzhao* (仙劍六祈今朝) and *Legend of Sword and Fairy 4* (仙劍四); (iv) the live-action short drama *Legend of Sword and Fairy 3: Mengqiannian* (仙劍三 · 夢千年), produced by the Group in collaboration with Spirited Media (有朝氣影視) and Mahua Fun Age (開心麻花), is also in preparation.

Several novels, including *Legend of Sword and Fairy 3 Gaiden* (仙劍奇俠傳三外傳), *Legend of Sword and Fairy 5* (仙劍奇俠傳五), *Prequel of Legend of Sword and Fairy 5* (仙劍奇俠傳五前傳) and *Legend of Sword and Fairy 6* (仙劍奇俠傳六), are also in the the creation stage, and will be successively released to the audience. An ensemble long-form content project based on the world view of the *Legend of Sword and Fairy* (仙劍奇俠傳) IP is also under intensive development. The rich content creation will provide a solid foundation for the long-term development of the *Legend of Sword and Fairy* (仙劍) IP.

Extensive content creation will generate new business opportunities for the Group's derivative product collaborations. The Group has extensive experience and expertise in the collaboration of derivatives of the *Legend of Sword and Fairy* (仙劍) IP. In the field of collectable statues, the statues of Yun Tianhe (雲天河) and Murong Ziying (慕容紫英) jointly produced by the Group and STAREXVA Studio (Star Club) (STAREXVA 工作室(星星社)) will be available for sale within 2026. In the field of action figures, the articulated figurines of Li Xiao Yao (李逍遙) and Zhao Linger (趙靈兒) in cloth outfits co-produced by the Group with Nottaa (非玩玩具) and the Chonglou Soldier (重樓兵人) co-produced by the Group with Yiyue (已悦), are scheduled to launch for sale successively.

The extensive and in-depth communication and collaboration between *Legend of Sword and Fairy* (仙劍) IP and its partners in multiple areas such as games, films and television series, interactive entertainment, licensed goods and physical derivatives indicates that the national IP *Legend of Sword and Fairy* (仙劍奇俠傳) has entered a new development stage, with more diversified value and ecological prosperity under the operation of the whole industrial chain. During the operation of *Legend of Sword and Fairy* (仙劍) IP, the Group will continue to integrate the *Legend of Sword and Fairy* (仙劍) IP with China's outstanding traditional culture, actively pioneering new pathways for cultural export.

All members of the Group will always uphold the values of “integrity, transparency, honesty, in-depth thinking and long-termism (正直守信、透明坦誠、深度思考、長期主義)” and the mission of “creating quality products with passion (用熱愛鑄造精品)”, being a company that is full of passion and creativity! The Group will promote China’s wonderful traditional culture and socialist values, becoming a responsible practitioner and a promoter of cultural values.

ONE-STOP AI GAME INTELLIGENCE PLATFORM

The one-stop AI game intelligence platform GamePartner.AI, jointly launched by the Group and Jiyi Artificial Intelligence, will serve as a powerful boost for the Group’s expansion of its advertising monetisation casual game (“**casual IAA games**”) publishing business in overseas regions. The Group will fully leverage its accumulated global publishing capabilities and localisation operation advantages to assist games developed through the GamePartner.AI platform in their promotion on Apple App Store and Google Play, and achieve quick integration with mainstream advertising platforms such as Google AdMob and AppLovin. GamePartner.AI will provide continuous tracking services for launched games on data such as user retention, advertising monetisation efficiency, and download performance in various regions, serving as an important basis for subsequent optimisation of platform capabilities and improvement of support policies for onboarded developers.

Going forward, the Group will conduct scaled commercial promotion for games that have already been launched on overseas Apple App Store and Google Play, such as *Math Solitaire - Logic Puzzle* (數字紙牌), *Cozy Yarn: Dots Connect Puzzle* (溫馨毛線), *Gems Sort: Color Match* (繽紛寶石), *Sorting Go: Mini Mart* (出發吧！便利店) and *Royal Category Sort* (皇室編錄), striving to create successful case studies and generate considerable revenue sharing with the research and development teams. Subsequently, the GamePartner. AI platform will accelerate the pace of product launches and promotions, enabling the Group’s overseas casual IAA games publishing business to achieve scale revenue as soon as possible, forming a new growth driver for the Group’s overseas business development.

The Company would like to thank all Shareholders and investors for their continued strong support!

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

The following sets forth the unaudited condensed consolidated statement of profit or loss for the six months ended 30 June 2026 together with unaudited comparative figures for the six months ended 30 June 2025:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue	**355,122**	763,034
Cost of sales	**(287,337)**	(504,455)
Gross profit	**67,785**	258,579
Other income and gains, net	**8,025**	8,072
Selling and distribution expenses	**(30,518)**	(372,861)
Administrative expenses	**(35,992)**	(85,829)
Research and development costs	**(22,964)**	(93,908)
Impairment of financial assets, net	**(42,029)**	(52,291)
Other expenses		
— Impairment of goodwill	**–**	(11,524)
— Write-off of prepayments	**(1,219)**	(189,487)
— Fair value losses on financial assets at fair value through profit or loss	**(22,384)**	(76,728)
— Others	**(1,056)**	(6,569)
Finance costs	**(7,252)**	(10,360)
Share of profits and losses of associates	**(2,705)**	(11,646)
Loss before tax	**(90,309)**	(644,552)
Income tax credit	**574**	298
Loss for the period	**(89,735)**	(644,254)
Attributed to:		
Owners of the parent	**(90,155)**	(638,550)
Non-controlling interests	**420**	(5,704)
	(89,735)	(644,254)

Revenue

The Group derives its revenue from (i) the provision of game publishing services in relation to games developed by third parties; (ii) the licensing and publication of its in-house developed games; and (iii) the licensing of its proprietary IP to third parties. The table below sets forth the Group's revenue by category for the periods indicated:

	For the six months ended 30 June			
	2026		2025	
	RMB'000	**%**	RMB'000	%
	(Unaudited)		(Unaudited)	
Game publishing	**280,530**	**79.0**	656,364	86.0
Game development	**51,525**	**14.5**	73,193	9.6
IP licensing	**23,067**	**6.5**	33,477	4.4
Total	**355,122**	**100.0**	763,034	100.0

The Group's revenue decreased by 53.5% from RMB763.0 million for the six months ended 30 June 2025 to RMB355.1 million for the six months ended 30 June 2026. The decrease in revenue was primarily attributable to:

(i) The Group's game publishing revenue decreased by 57.3% from RMB656.4 million for the six months ended 30 June 2025 to RMB280.5 million for the six months ended 30 June 2026. The decrease was primarily attributable to: (i) the Group's game launches planned for 2026 are primarily concentrated in the second half of the year; during the Reporting Period, the revenue growth contributed by newly launched games to the Group was relatively limited; (ii) some game projects that had been launched previously, such as *Swallowing the Star: Dawn* (吞噬星空：黎明), *Daily Life of Chat Group* (聊天群的日常生活) and *Tauren-T GO* (牛頭人GO) were taken offline during the Reporting Period ; and (iii) some games previously published by the Group, such as *Soul Land: Space and Time Reversal* (斗羅大陸：逆轉時空), *Chunqiu Mystery* (春秋玄奇) and *Fights Break Firmament: Peak Confrontation* (斗破蒼穹：巔峰對決), entered the later stage of their game life cycle during the Reporting Period, resulting in a decline in revenue from such games. The above factors led to a decline in game publishing revenue.

(ii) The Group's game development revenue decreased by 29.6% from RMB73.2 million for the six months ended 30 June 2025 to RMB51.5 million for the six months ended 30 June 2026. The game of self developed by Wenmai Hudong, *Dark Night Legend* (暗夜傳奇), was still in the testing phase during the Reporting Period and did not generate revenue for the time being, resulting in a decrease in game development revenue; and

(iii) The Group's IP licensing revenue decreased by 31.1% from RMB33.5 million for the six months ended 30 June 2025 to RMB23.1 million for the six months ended 30 June 2026. The Group's licensing revenue was primarily derived from licensing cooperation based on the *Legend of Sword and Fairy* (仙劍奇俠傳) IP. The Group has always actively operated the *Legend of Sword and Fairy* (仙劍奇俠傳) IP. Although certain licensing arrangements had reached clear cooperation intentions, they were not finalised and signed during the Reporting Period, resulting in a decline in licensing revenue.

Cost of sales

The Group's cost of sales consists primarily of (i) commissions charged by publishing channels and content providers ("**CPs**"); (ii) commissions charged by IP owners; and (iii) amortisation of CP licenses and IP licenses. The table below sets forth the Group's cost of sales by category, and its contribution to the total revenue of the Group as a percentage, for the periods indicated:

	For the six months ended 30 June			
	2026		2025	
	RMB'000 (Unaudited)	**% to Revenue**	RMB'000 (Unaudited)	% to Revenue
Commissions charged by publishing channels and CPs	**217,274**	**61.2**	389,675	51.1
Commissions charged by IP owners	**23,253**	**6.5**	26,382	3.5
Amortisation of CP licenses	**7,188**	**2.0**	14,172	1.8
Amortisation of IP licenses	**26,640**	**7.5**	29,559	3.9
Others	**12,982**	**3.7**	44,667	5.8
Total	**287,337**	**80.9**	504,455	66.1

The Group's cost of sales decreased by approximately 43.0% from RMB504.5 million for the six months ended 30 June 2025 to RMB287.3 million for the six months ended 30 June 2026. The decrease in cost of sales was primarily attributable to the decrease in the Group's overall game publishing and game development revenue, which led to a corresponding decrease in commissions charged by corresponding channels and CPs. During the Reporting Period, the Group's cost of sales as a percentage of revenue increased by 14.8 percentage points compared to the same period last year. The increase was primarily attributable to: (i) during the Reporting Period, the commissions charged by publishing channels and CPs as a percentage of revenue increased compared to the same period last year, primarily due to some games previously published by the Group, such as *Soul Land: Space and Time Reversal* (斗羅大陸：逆轉時空) and *Fights Break*

Firmament: Peak Confrontation (斗破蒼穹：巔峰對決), launched discounted versions during the Reporting Period as they entered the later stage of their game life cycle, and the proportion of commissions charged by the publishing channels for these discounted versions to revenue increased significantly; and (ii) the amounts of commissions charged by IP owners and amortisation of IP licenses did not change significantly, but due to the decrease in revenue, the proportion of these two costs to revenue both increased compared to the same period last year.

Gross profit and gross profit margin

As a result of the foregoing, the Group's gross profit decreased by 73.8% from RMB258.6 million for the six months ended 30 June 2025 to RMB67.8 million for the six months ended 30 June 2026. The Group's gross profit margin decreased from 33.9% for the six months ended 30 June 2025 to 19.1% for the six months ended 30 June 2026. During the Reporting Period, the Group's cost of sales as a percentage of revenue increased by 14.8 percentage points compared to the same period last year, resulting in a decline in gross profit margin.

Other income and gains, net

The Group's other income and gains consist primarily of (i) bank interest income; (ii) government grants; (iii) foreign exchange gains; and (iv) litigation income. The table below sets forth the Group's other income and gains by category for the periods indicated:

	For the six months ended 30 June			
	2026		2025	
	RMB'000	**%**	RMB'000	%
	(Unaudited)		(Unaudited)	
Bank interest income	**48**	**0.6**	137	1.7
Government grants	**1,691**	**21.1**	3,203	39.7
Foreign exchange gains	**–**	**–**	2,578	31.9
Litigation income	**5,404**	**67.3**	–	–
Others	**882**	**11.0**	2,154	26.7
Total	**8,025**	**100.0**	8,072	100.0

The Group's other income and gains decreased by 0.6% from RMB8.1 million for the six months ended 30 June 2025 to RMB8.0 million for the six months ended 30 June 2026. During the Reporting Period, the Group received compensations from CP partners of RMB5.4 million. However, due to a decrease in government grants received compared to the same period last year, other income declined slightly compared to the same period last year.

Selling and distribution expenses

The Group's selling and distribution expenses consist primarily of (i) marketing expenses; and (ii) salaries and benefits for its sales and marketing team. The table below sets forth the Group's selling and distribution expenses by category and its contribution to the total revenue of the Group as a percentage for the periods indicated:

	For the six months ended 30 June			
	2026		2025	
	RMB'000 (Unaudited)	**% to Revenue**	RMB'000 (Unaudited)	% to Revenue
Marketing expenses	**23,942**	**6.7**	364,282	47.7
Salaries and benefits	**5,354**	**1.5**	7,555	1.0
Office costs and utilities	**547**	**0.2**	553	0.1
Others	**675**	**0.2**	471	0.1
Total	**30,518**	**8.6**	372,861	48.9

The Group's selling and distribution expenses decreased by 91.8% from RMB372.9 million for the six months ended 30 June 2025 to RMB30.5 million for the six months ended 30 June 2026. The marketing expenses for the first half of 2025 were primarily incurred from the promotion of the games *Legend of Sword and Fairy: World* (仙劍世界) and *Chunqiu Mystery* (春秋玄奇). The new games launched during the Reporting Period incurred lower marketing expenses; moreover, the Group prudently controlled its marketing expenses, adhered to a development strategy of low cost trial and error and vigorously advanced the application of AIGC in publishing and marketing operations, resulting in a decrease of 93.4% in marketing expenses compared with the same period last year.

Administrative expenses

The Group's administrative expenses consist primarily of (i) salaries and benefits; and (ii) office costs and utilities. The table below sets forth the Group's administrative expenses by category and its contribution to the total revenue of the Group as a percentage for the periods indicated:

	For the six months ended 30 June			
	2026		2025	
	RMB'000 (Unaudited)	**% to Revenue**	RMB'000 (Unaudited)	% to Revenue
Salaries and benefits	**18,645**	**5.2**	61,706	8.1
Office costs and utilities	**16,754**	**4.7**	23,434	3.0
Others	**593**	**0.2**	689	0.1
Total	**35,992**	**10.1**	85,829	11.2

The Group's administrative expenses decreased by 58.1% from RMB85.8 million for the six months ended 30 June 2025 to RMB36.0 million for the six months ended 30 June 2026. The decrease was primarily attributable to: (i) the Group's consistent adherence to the management philosophy of cost reduction and efficiency enhancement, which resulted in a 30.0% reduction in the number of administrative staff compared to the same period last year, leading to a corresponding decline in remuneration and benefits, and the salaries and benefits expenses for the first half of 2025 were relatively high as they included one-off staff redundancy costs relating to the reduction of personnel for the *Legend of Sword and Fairy: World* (仙劍世界) project; and (ii) the Group cautiously controlled office costs, resulting in a decrease of 28.5% in office costs and utilities compared with the same period last year.

Research and development costs

The Group's research and development costs consist primarily of (i) salaries and benefits for its research and development department; (ii) production costs; and (iii) office costs and utilities. The table below sets forth the Group's research and development costs by category and its contribution to the total revenue of the Group as a percentage for the periods indicated:

	For the six months ended 30 June			
	2026		2025	
	RMB'000 (Unaudited)	**% to Revenue**	RMB'000 (Unaudited)	% to Revenue
Salaries and benefits	**19,232**	**5.4**	68,213	8.9
Production costs	**846**	**0.2**	15,091	2.0
Office costs and utilities	**2,015**	**0.6**	7,477	1.0
Others	**871**	**0.3**	3,127	0.4
Total	**22,964**	**6.5**	93,908	12.3

The Group's research and development costs decreased by 75.5% from RMB93.9 million for the six months ended 30 June 2025 to RMB23.0 million for the six months ended 30 June 2026. The decrease was primarily attributable to: (i) The Group reduced the headcount of its development team, resulting in a decrease of 71.8% in salaries and benefits of the research and development department compared to the same period last year, with corresponding reductions in office costs and utilities; and (ii) the production costs for the first half of 2025 mainly arose from the game *Legend of Sword and Fairy: World* (仙劍世界). During the Reporting Period, the game had completed research and development. As a result, production costs decreased by 94.4% compared with the same period last year.

Impairment of financial assets, net

The Group's asset impairment loss refers to the impairment on financial assets of trade receivables, other receivables and other assets. According to the relevant accounting policies under HKFRS 9, the impairment loss on financial assets recorded by the Group decreased by 19.6% from RMB52.3 million for the six months ended 30 June 2025 to RMB42.0 million for the Reporting Period. Of the balance, the impairment of trade receivables amounted to approximately RMB38.4 million for the Reporting Period in comparison to an impairment of trade receivables of approximately RMB52.5 million for the six months ended 30 June 2025.

Impairment of trade receivables

The Group collaborates with various third-party publishing channels. These channels are authorised to promote the Group's licensed games and collect revenue from in-game purchases, which is then settled with the Group according to the contractual payment cycle. With regard to such collaborations, these channels would deduct the amount of the promotion fee payable by the Group to them from the in-game purchase revenue and then pay the remaining amount of such revenue to the Group in accordance with the terms of the contracts. These arrangements are consistent with prevailing industry practices. The Group normally grants existing channels and other counterparties (including the aforesaid channels) a credit period of 180 days, and a credit period of not more than 270 days for major channels and key counterparties. The Group has a well-defined settlement management system in place, regularly reviews overdue accounts, and maintains ongoing communication with business partners regarding settlement arrangements.

During the Reporting Period, the Group recognised an impairment of trade receivables of approximately RMB38.4 million, as compared to approximately RMB52.5 million recognised for the six months ended 30 June 2025. The impairment of trade receivables recognised during the Reporting Period related to balances with third-party publishing channels.

Other expenses

The Group's other expenses decreased by 91.3% from RMB284.3 million for the six months ended 30 June 2025 to RMB24.7 million for the Reporting Period. Other expenses mainly comprised: (i) the write-off of prepayments of approximately RMB1.2 million relating to games and IP licenses that failed to be launched as scheduled or whose contract expired; and (ii) fair value losses on financial assets recognised in profit or loss amounted to approximately RMB22.4 million. The decrease in other expenses was primarily attributable to (i) the write-off of prepayments during the Reporting Period decreased significantly from RMB189.5 million in the same period of 2025 to approximately RMB1.2 million as the contracts relating to the Group's prepayments were within their effective periods and were supported by clear research and development plans or tangible research and development progress, with no project stagnation or suspension occurred; (ii) the reduction in the fair value losses on financial assets through profit or loss resulted from the uneven growth in the investment market and (iii) nil goodwill impairment being recorded for the Reporting Period in comparison to an impairment of RMB11.5 million recognised in relation to the cash-generating unit of Wenmai Hudong for the same period in 2025.

Impairment of goodwill

As at 30 June 2026, the Group's goodwill is allocated to the cash-generating units ("**CGUs**") of (i) Mobile Game Publishing; (ii) Wenmai Hudong; and (iii) Beijing Softstar for impairment testing.

The Group regularly appoints professional independent valuers to evaluate the recoverable amounts of the CGUs in accordance with Hong Kong Accounting Standard 36 - Impairment of Assets, and the recoverable amounts of the CGUs have been based on a value-in-use calculation using five-year period cash flow projections prepared on the basis of the financial budgets approved by senior management. The growth rate beyond the five-year period had been projected as 2%. Where the recoverable amount of the CGU is less than the carrying amount, an impairment loss is recognised and is not reversed in a subsequent period.

The Group recorded nil goodwill impairment for the Reporting Period in comparison to an impairment of RMB11.5 million recognised in relation to Wenmai Hudong CGU for the same period in 2025.

(i) Mobile Game Publishing CGU

The Group adheres to the development strategy of "low-cost trial and error, large-scale promotion, and rapid iteration". Relying on the Group's own IP resource advantages, the Group takes the "APP + mini-game" dual-end layout as its core business model, and has a rich pipeline of products that will be successively launched to the market in the second half of 2026 and beyond.

In the Mainland China market, the Group plans to launch three card RPG games in the second half of 2026, namely *Code: Zhetian* (代號：遮天), *Code: Tianqiong* (代號：天穹) and *Wulin Xiadou* (武林俠斗), as well as a lightweight MMORPG game *Code: New Legend* (代號：新傳奇). At the same time, the Group has also reserved a number of blockbuster games to be launched in Mainland China in 2027 or beyond, including *Code: New Soul Land* (代號：新斗羅), a card RPG mobile game developed based on the official IP license of Soul Land (斗羅大陸); *Code: DreamWorks All Stars* (代號：夢工場全明星), a card RPG game developed based on the official IP authorisation licensed from Universal Products & Experiences; *Code: Pocket Expedition* (代號：口袋遠征), a lightweight MMORPG game that supports both APP and mini-game versions; and *Code: Legend of Sword and Fairy Turn-Based MMO* (代號：仙劍回合制MMO), an adaptation from the *Legend of Sword and Fairy* (仙劍) IP.

In overseas markets, the Group's game *Island Genesis* (開局一座島), which was launched in July 2026, has gained market recognition and will continue to generate revenue for the Group. The Group will continue its efforts to launch this game in more overseas regions to expand the scale of the Group's revenue. At the same time, the Group plans to launch multiple games in overseas regions in the second half of 2026, such as *Monster Loop: Beast God Reincarnation* (Monster Loop：獸神轉生) and *Pocket Conquer* (口袋征服), in order to further boost the revenue scale of the Group's overseas games. In addition, the Group has also positioned two games in the female-oriented game category, both of which focus on the very popular simulation management gameplay and are planned to be launched in 2027 or beyond.

The Group believes its product reserves will continue to contribute sustainable revenue and margin to the Group.

The Mobile Game Publishing CGU is expected to generate an average net profit margin of 12% based on a value-in-use calculation using the cash flow projections covering a five-year period. In view of the recoverable amount of Mobile Game Publishing CGU, no impairment on the CGU is recognised for the Reporting Period.

(ii) Wenmai Hudong CGU

The legendary game *Dark Night Legend* (暗夜傳奇) self-developed by Wenmai Hudong is poised to be launched in the second half of 2026. The Group has conducted multiple game running tests for the game and the Group's development team has extended the period for adjustment and optimisation and strived to offer players a perfect user experience. It will become another outstanding self-developed product of Wenmai Hudong and is expected to enter into harvest period in the following year. Coupled with strict cost control, the CGU is expected to generate an average net profit margin of 5%.

In view of the recoverable amount of Wenmai Hudong CGU based on a value-in-use calculation using the cash flow projections covering a five-year period, no impairment on the CGU is recognised for the Reporting Period.

(iii) Beijing Softstar CGU

The game licensing collaborations based on The *Legend of Sword and Fairy* (仙劍奇俠傳) are carried out on an ongoing long-term basis under the Beijing Softstar (北京軟星) CGU. The immersive interactive entertainment project *AStation Legend of Sword and Fairy XR* (AStation 仙劍 XR), developed by the Group in collaboration with Beijing Huanjin Digital Research Technology Co., Ltd. (北京幻景數研科技有限公司), was launched in July 2026, and the Group expects to continue generating revenue from this project in the following year, particularly with its upcoming availability on Apple Vision Pro. The Group's self-developed game *Legend of Sword and Fairy: World* (仙劍世界) is also scheduled for overseas release in the second half of 2026. Meanwhile, the Group has renewed its licensing agreement with Kingnet (愷英網絡) for *Legend of Sword and Fairy: The New Beginning* (仙劍奇俠傳：新的開始), and has entered into a new additional licensing collaboration for a card-based role-playing game adapted from the *Legend of Sword and Fairy* (仙劍奇俠傳) IP. In May 2026, the Group reached a cooperation with Jiangsu Sanjiu Interactive Network Technology Co., Ltd. (江蘇叁九互娛網絡技術有限公司) for the development of a role-playing game based on the *Legend of Sword and Fairy* (仙劍) IP. Upon the launch, these games are expected to generate recurring revenue for the Group. Licensing collaborations for crossover events involving the *Legend of Sword and Fairy* (仙劍) IP have also been progressing smoothly, including crossovers between *Legend of Sword and Fairy 3* (仙劍奇俠傳三) and *JX3* (劍網三) in April 2026, the anniversary crossover event between *Legend of Sword and Fairy 3* (仙劍奇俠傳三) and *Tianlong Ba Bu: Return* (天龍八部 • 歸來) in July 2026, and the crossover between *Legend of Sword and Fairy* (仙劍奇俠傳) and *Fantasy Westward Journey* (夢幻西遊) PC Edition in August 2026. Further crossover licensing collaborations are scheduled to roll out in the second half of the year and throughout 2027. The Group expects to continue benefiting from the synergies generated by these crossover events in the following year. On the other hand, the original versions of *Legend of Sword and Fairy 1–3* (仙劍奇俠傳1–3) were officially made available on the KK Battle Platform (KK對戰平台) in June 2026, and the Group expects to derive ongoing revenue from this collaboration.

Meanwhile, the production of the animation series of *Legend of Sword and Fairy 4* (仙劍奇俠傳四) has also begun, and the series will be jointly launched by Bilibili and the Group. During the Reporting Period, the Group has also entered into collaborations with Bilibili, Spirited Media (有朝氣影視) and Mahua Fun Age (開心麻花) respectively, to jointly create multiple animated works, live-action series, and live-action short dramas adapted from the *Legend of Sword and Fairy* (仙劍奇俠傳) series.

The Beijing Softstar CGU is expected to generate an average net profit margin of 40% based on a value-in-use calculation using the cash flow projections covering a five-year period. In view of the recoverable amount of Beijing Softstar CGU, no impairment on the CGU is recognised for the Reporting Period.

For further details of goodwill and respective CGUs, please refer to note 10 to the interim condensed consolidated financial statements.

Write-off of prepayments

During the Reporting Period, 3 prepayment contracts involved write-off losses, and the Group recognised write-off of prepayments of approximately RMB1.2 million due to termination of the game projects underlying the prepayment contracts. The write-off losses recognised during the Reporting Period were considered adequate, as the contracts corresponding to the remaining prepayments were all within their effective periods, and the duration of the contract validity periods was sufficient to ensure the completion of research and development of the game projects to be launched; and the IP license contracts were within their effective periods and had clear research and development plans; each game project that had commenced development had tangible research and development progress and no situation of project stagnation or interruption has occurred.

Finance costs

The Group's finance costs mainly consist of interest expenses, which decreased by 30.0% from RMB10.4 million for the six months ended 30 June 2025 to RMB7.3 million for the six months ended 30 June 2026, mainly due to a decrease in total total bank and other borrowings of the Group as well as the average effective interest rate compared to the same period in 2025, leading to a decrease in interest expenses.

Share of profits and losses of associates

As at 30 June 2026, the Group held long-term interests in several associates. The Group's share of losses of these associates decreased to a loss of approximately RMB2.7 million for the Reporting Period from a loss of approximately RMB11.6 million for the same period in 2025. It was primarily attributable to the decrease in the Group's share of loss of Shenzhen Zhichengqianli Investment Enterprise (Limited Partnership) (深圳市志成千里投資企業(有限合夥)) to approximately RMB3.5 million for the Reporting Period from a loss of approximately RMB8.3 million for the same period in 2025 and of Shanghai Fengguo Network Technology Co., Ltd. (上海蜂果網絡科技有限公司) to nil for the Reporting Period from a loss of approximately RMB3.6 million in the same period in 2025 respectively.

Loss before tax

As a result of the foregoing, the Group's loss before tax decreased from a loss of RMB644.6 million for the six months ended 30 June 2025 to a loss of RMB90.3 million for the six months ended 30 June 2026.

Income tax credit

The Group's income tax credit increased from RMB0.3 million for the six months ended 30 June 2025 to RMB0.6 million for the six months ended 30 June 2026.

Loss for the period

As a result of the foregoing, the Group's loss for the period decreased from a loss of RMB644.3 million for the six months ended 30 June 2025 to a loss of RMB89.7 million for the six months ended 30 June 2026.

LIQUIDITY AND FINANCIAL RESOURCES

The Group adopts a prudent treasury management policy to ensure that the Group maintains a healthy financial position. During the Reporting Period, the Group funded its cash requirements principally from cash generated from its operating activities and financing activities. The Group had cash and cash equivalents of approximately RMB98.6 million and RMB91.0 million as at 30 June 2026 and 31 December 2025, respectively. For the purpose of the interim condensed consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. For the purpose of the interim condensed consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits and assets similar in nature to cash which are not restricted as to use.

The Group generally deposits its excess cash in its interest-bearing bank accounts and current accounts. The Group believes that its liquidity requirements will be satisfied by using a combination of (i) cash generated from its operating activities; (ii) bank and other borrowings; (iii) other funds raised from the capital markets from time to time; and (iv) the net proceeds received from the subscription of new shares by Secure Precision Limited, Tanwan Inc. and Shengqu Technology Korean Limited completed on 28 April 2026 (the "**Subscription**").

As at 30 June 2026, the current assets of the Group amounted to approximately RMB817.7 million, and the current liabilities of the Group amounted to approximately RMB935.2 million.

As at 30 June 2026, the current ratio (being the current assets divided by current liabilities as at the end of each period) of the Group was 0.87 times compared with 0.86 times as at 31 December 2025.

As at 30 June 2026, the gearing ratio (being the total debt divided by total equity as at the end of each period) of the Group was 21.7% compared with 20.9% as at 31 December 2025, which was relatively stable.

Indebtedness

During the Reporting Period, the Group obtained bank and other borrowings of RMB296.3 million and repaid bank borrowings of RMB297.4 million.

As at 30 June 2026, the Group had bank and other borrowings of RMB501.3 million which are denominated in Renminbi (31 December 2025: RMB502.4 million). The effective interest rates on the Group's unsecured bank loans of RMB361.6 million (31 December 2025: RMB405.1 million) and unsecured other loans of RMB137.0 million (31 December 2025: RMB95.9 million) range from 2.0% to 4.7% and 0% to 6.0% respectively. The Group's secured bank loans of RMB2.7 million (31 December 2025: RMB1.4 million) were interest free and were secured by the Group's bills receivables of RMB2.7 million (31 December 2025: RMB1.4 million) as at 30 June 2026.

As at 30 June 2026, the lease liabilities of the Group were RMB6.6 million (31 December 2025: RMB9.7 million).

Financial assets at fair value through profit or loss

The Group's financial assets at fair value through profit or loss as at 30 June 2026 have decreased compared to 31 December 2025. The decrease was mainly attributable to the unrealised fair value losses of approximately RMB22.4 million recognised mainly for unlisted equity investments during the Reporting Period. As at 30 June 2026, the Group's financial assets at fair value through profit or loss mainly include listed equity investments, unlisted equity investments and convertible loans, representing 6.1%, 75.7% and 18.2% of financial assets at fair value through profit or loss, respectively. As at 30 June 2026, save as disclosed below, the Group did not have any significant investments (including any investment in an investee company) with a value of 5% or more of the Group's total assets as at 30 June 2026.

	Investment Cost RMB'000	Shareholding %	Fair value gains/(losses) on financial assets at fair value through profit or loss for the six months ended 30 June 2026 RMB'000	Fair value as at 30 June 2026 RMB'000	Size relative to the Group's total assets as at 30 June 2026	Dividends received for the year ended 30 June 2026 RMB'000	Fair value hierarchy	Valuation technique	Key inputs including quantitative information
Investees									
China Prosperity Capital Mobile Internet Fund L.P. ("**CPC Fund**")*	201,194	25.65%	(24,512)	200,715	6.17%	–	Level 2	Asset-based approach; market approach	Market approach multiples (including EV/Sales, P/B); risk-free rate
Guohong Jiaxin (Shenzhen) Angel Venture Capital Enterprise (L.P.) ("**Angel Venture**")**	163,000	39.01%	21,000	248,000	7.63%	–	Level 2	Asset-based approach; market approach	Risk-free rate, recent transaction prices
Delta Global Group Limited ("**Delta**")***	264,095	N/A	(18,017)	178,078	5.48%	–	Level 3	Binomial model	Volatility/discount rate

* The investment portfolio of CPC Fund primarily focuses on the mobile internet and technology industries in the Greater PRC region, in particular, the culture and entertainment industry, such as internet literature, dramas and movies, motion pictures, manga and animations. CPC Fund has been classified as an unlisted equity investment at fair value.

** The investment portfolio of Angel Venture primarily focuses on artificial intelligence, big data, internet of things, mobile internet and other new information technology businesses. Angel Venture has been classified as an unlisted equity investment at fair value.

*** Delta is planning to operate a Bitcoin mining facility in the United States. In March 2022, the Group invested in the convertible bond at USD38,000,000, which embedded a call option on the shares of Delta. The maturity date of the Convertible Bond is 25 March 2027. In 2024, Delta and the Group entered into a supplemental agreement to extend the term of the convertible bond to 31 December 2027.

**** For details of the financial assets at fair value through profit or loss, please refer to note 11 to the interim condensed consolidated financial statements.

As at 30 June 2026, the Group has invested in more than 20 companies, the majority of which are engaged in game development, operation and promotion. As one of the world's leading IP-based game operators, the Group is committed to investing in quality game developers and fostering continuous and in-depth cooperation with these developers in the development and publishing of games so as to lay a strong foundation for expanding the Group's game and IP reserves and creating a highly competitive IP-based game ecosystem. As such, investments have been instrumental in developing and enriching the Group's IP portfolio, promoting its mobile games, and creating synergistic values, which in turn facilitate its business development and secure long-term investment returns for the Group. The Group is prohibited from investing in high-risk projects, such as transactions in secondary securities markets for speculative purposes. Investments in structured products, including without limitation, derivatives, hedge funds, and other investment products the risk level of which exceeds the Group's acceptable level, are strictly prohibited.

The Group regularly appoints professional independent valuers to evaluate the fair value of unlisted investments, including financial assets falling under Level 2 and Level 3 of the fair value hierarchy. The fair values of the unlisted investments have been estimated by using various applicable valuation techniques, including the discounted cash flow approach, adjusted net assets value method and other option pricing models.

Investment strategy

The Group adopts a balanced investment approach with its investment broadly divided into two categories: (a) short-term investments; and (b) long-term investments. Short-term investments refer to those low-risk instruments which are held for 1 year or less with the objective of generating reasonable returns while balancing risk and liquidity, and consist primarily of liquid and short-term deposits placed at licensed banks in Mainland China and Hong Kong, whereas long-term investments cover investments with a holding period of more than 1 year for the purpose of diversifying operational risks and promoting capital preservation and/or appreciation. The Board considers that a diversified investment portfolio of the Group has been and will be maintained to enable the effective utilisation of idle funds in optimising shareholder returns and enhancing shareholder value. Investment proposals are originated from the Investment Manager of the Group and subject to evaluation processes led by the Group's Investment Management Team, which is responsible for pre-investment assessment and post-investment oversight and monitoring. Suitable investment proposals are subsequently presented to the Group's Investment Committee for review and approval. The Group's Investment Committee, comprising the Chairman, Vice Chairman, the head of the Business Operation Analysis Centre and the head of the Finance Centre, serves as the approving body for investment management. In addition, any proposed investment reaching the disclosure threshold stipulated in the Listing Rules, other applicable laws and regulations and/or the Articles of Association of the Company shall be subject to the Board's approval prior to execution.

Risk management and control measures

In selecting long-term investments, the Group generally conducts a comprehensive evaluation of the potential investee's track record, business reputation, market opportunities, and synergies with the Group's existing businesses and long-term strategy to ensure that the investment not only aligns with the Group's business development in the short run, but also enables the Group to secure long-term investment returns.

The Group conducts due diligence on potential investees in relation to, among others, their legal and litigation risks, corporate and ownership structures, and ultimate beneficial owners. Moreover, the Group assesses the potential investees' financial performance, financial position and cash position in the immediately preceding three years so as to see to it that the investees have the capacity to continue as a going concern over the longer term. Any profit forecasts provided by the investees are also rigorously assessed and analysed to mitigate risks associated with unrealistic earnings projections. The Group pursues an active investment approach and maintains close communication with the investees to monitor their business operations on an ongoing basis. Amidst macroeconomic headwinds largely from intensified market competition, heightened challenges in product innovation and weaker consumer demand, the Group seeks to leverage its industry expertise to provide the investees with guidance on game publishing and operations from time to time so as to enhance their operating performance and minimise potential investment losses. For other unlisted equity investments, the maximum loss borne by the Group is limited to the total investment amount contributed or committed to each investment as the Group will not provide any guarantee or security over its assets in respect of the investee's liabilities. Specifically, in order to mitigate counterparty risk, the Group evaluates the capability and business prospect of the potential investees who are game developers or operators based on their track record, including the ranking and gross billings attained by the games previously developed by these investees, their industry reputation as well as the expertise of their core development or operation teams in the gaming sector.

Investments are actively monitored on an ongoing basis through regular validation of key operational and financial data so that the Group's investment portfolio can be kept within an acceptable risk level. In terms of liquidity management, the Group has funded its cash requirements, including investments, principally from cash generated from its operating activities and financing activities, and regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations. Investment activities are carried out without compromising the cash requirements of the Group's core business operations.

Prepayments

As at 30 June 2026, prepayments of the Group amounted to approximately RMB639.4 million, which has increased by 10.2% compared with 31 December 2025. The prepayments mainly included prepaid license fees (non-current) of approximately RMB311.3 million, prepaid minimum guarantee (current) of approximately RMB247.8 million, prepaid promotion fee of approximately RMB79.9 million and other prepayments of approximately RMB0.4 million. The underlying contracts for such prepayments for license fees and minimum guarantee have been made with approximately 30 renowned enterprises worldwide which represent more than 30 operating or developing games and will be amortised monthly after the game development is completed and officially launched. The top 5 CP and IP partners whose balances of prepayments fell within the following bands as follows:

	Number of CP and IP partners
Nil to RMB20,000,000	–
RMB20,000,001 to RMB40,000,000	2
RMB40,000,001 to RMB60,000,000	1
RMB60,000,001 to RMB80,000,000	–
RMB80,000,001 to RMB100,000,000	2

Through regular reviews conducted by the Group's legal department on the compliance records of the top five CP and IP partners, it has been confirmed that their tax records are compliant and their credit standing is sound; during the cooperation period, the above-mentioned parties have consistently attached importance to product and service quality, and their business reputation is reliable.

When selecting CP and IP partners for cooperation, the Group conducts a comprehensive evaluation of potential partners and products. The evaluation covers aspects, such as product completeness, market opportunities, future profitability, the track record of core team members (which include the ranking and gross billings attained by the games previously developed) and the overall business condition of the potential partners, to ensure that the Group's interests are safeguarded.

The Group investigates and evaluates potential CP and IP partners, including their legal and litigation risks, corporate and ownership structures, and ultimate beneficial owners. In addition, the Group assesses the financial and cash positions of potential investees to ensure that they have the capacity for long-term sustainable operations.

After the Group signs cooperation agreements with CP and IP partners, during the contract period, a product operations manager will be assigned to continuously follow up on the partner's project development progress and any changes in project personnel. During each month, the Group will coordinate with CP and IP partners on project development progress, including submission timelines for project versions, the abundancy of version content, and the quality of project artwork, to ensure that project advancement aligns with contractual terms. At the same time, the Group will review newly initiated projects and cash flow status of partners on a monthly basis to guard against two types of risks:

1. An excessive number of new projects leading to insufficient manpower, which could cause project delays; and

2. Cash flow shortages resulting in project stagnation or interruption.

Up to the date of this announcement, approximately RMB0.9 million of the prepayments of the Group as at 30 June 2026 has been subsequently utilised or repaid.

During the Reporting Period, 3 prepaid contracts involved write-off losses and the Group recognised a write-off of prepayments of approximately RMB1.2 million. For further details of the write-off of prepayments, please refer to the section headed "Write-off of prepayments" in this announcement.

Off-balance sheet commitments and arrangements

As at 30 June 2026, the Group did not enter into any off-balance sheet transactions (31 December 2025: Nil).

Pledge of assets

As at 30 June 2026, the Group had pledged bills receivables with carrying amount of approximately RMB2.7 million (31 December 2025: RMB1.4 million) to secure the Group's bank loans of RMB2.7 million (31 December 2025: RMB1.4 million).

Save as disclosed above, the Group did not have any charges on its assets as at 30 June 2026.

Capital expenditures

The Group's historical capital expenditures primarily included royalties paid to game developers and IP owners. The Group funded its capital expenditure requirements during the six months ended 30 June 2026 mainly with its internal resources.

The Group's capital commitments as at 30 June 2026 and 31 December 2025 amounted to RMB72.2 million and RMB69.5 million, respectively. The Group's capital commitments as at 30 June 2026 was primarily for the purchase of IP and game licenses.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026

	Notes	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
REVENUE	5	**355,122**	763,034
Cost of sales		**(287,337)**	(504,455)
Gross profit		**67,785**	258,579
Other income and gains, net		**8,025**	8,072
Selling and distribution expenses		**(30,518)**	(372,861)
Administrative expenses		**(35,992)**	(85,829)
Research and development costs		**(22,964)**	(93,908)
Impairment of financial assets, net		**(42,029)**	(52,291)
Impairment of goodwill		**–**	(11,524)
Write-off of prepayments		**(1,219)**	(189,487)
Fair value losses on financial assets at fair value thought profit or loss		**(22,384)**	(76,728)
Other expenses		**(1,056)**	(6,569)
Finance costs		**(7,252)**	(10,360)
Share of profits and losses of associates		**(2,705)**	(11,646)
LOSS BEFORE TAX	6	**(90,309)**	(644,552)
Income tax credit	7	**574**	298
LOSS FOR THE PERIOD		**(89,735)**	(644,254)
Attributable to:			
Owners of the parent		**(90,155)**	(638,550)
Non-controlling interests		**420**	(5,704)
		(89,735)	(644,254)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic			
— For loss for the period	9	**RMB(2.97) cents**	RMB(21.32) cents
Diluted			
— For loss for the period	9	**RMB(2.97) cents**	RMB(21.32) cents

INTERIM CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
LOSS FOR THE PERIOD	**(89,735)**	(644,254)
OTHER COMPREHENSIVE LOSS		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**46,363**	18,599
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation from functional currency to presentation currency	**(70,079)**	(29,642)
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX	**(23,716)**	(11,043)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**(113,451)**	(655,297)
Attributable to:		
Owners of the parent	**(113,871)**	(649,593)
Non-controlling interests	**420**	(5,704)
	(113,451)	(655,297)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2026

	Notes	**30 June 2026 RMB'000 (Unaudited)**	31 December 2025 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property and equipment		**7,810**	8,341
Right-of-use assets		**6,386**	9,540
Goodwill	10	**454,272**	454,272
Other intangible assets		**434,918**	469,243
Investments in associates		**39,932**	86,887
Financial assets at fair value through profit or loss	11	**980,984**	1,022,544
Deferred tax assets		**185,638**	186,213
Prepayments and other receivables	13	**324,785**	313,282
Total non-current assets		**2,434,725**	2,550,322
CURRENT ASSETS			
Trade and bills receivables	12	**237,065**	335,919
Prepayments, other receivables and other assets	13	**455,887**	413,758
Due from a related party		**7,851**	7,851
Time deposits		**10,100**	10,100
Pledged and restricted deposits		**8,182**	10,738
Cash and cash equivalents		**98,591**	90,991
Total current assets		**817,676**	869,357
CURRENT LIABILITIES			
Trade payables	14	**167,051**	137,540
Other payables and accruals		**150,993**	248,797
Bank and other borrowings		**501,284**	502,443
Tax payable		**110,509**	112,281
Due to related parties		**433**	4,756
Lease liabilities		**4,895**	7,223
Total current liabilities		**935,165**	1,013,040
NET CURRENT LIABILITIES		**(117,489)**	(143,683)
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,317,236**	2,406,639

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
As at 30 June 2026

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
NON-CURRENT LIABILITIES		
Deferred tax liabilities	**1,213**	2,363
Lease liabilities	**1,672**	2,483
Total non-current liabilities	**2,885**	4,846
Net assets	**2,314,351**	2,401,793
EQUITY		
Equity attributable to owners of the parent		
Share capital	**2,173**	2,089
Reserves	**2,323,926**	2,411,872
	2,326,099	2,413,961
Non-controlling interests	**(11,748)**	(12,168)
Total equity	**2,314,351**	2,401,793

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2026

1. CORPORATE AND GROUP INFORMATION

The Company was incorporated in the Cayman Islands on 20 March 2018 as an exempted company with limited liability under the Companies Act (as revised) of the Cayman Islands. The registered address of the office of the Company is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company. The Company's subsidiaries are principally engaged in mobile game publishing, game development and licensing of intellectual property in Mainland China, Hong Kong, Taiwan, Korea and Japan, and investment business in Mainland China.

2. BASIS OF PREPARATION

These interim condensed consolidated financial statements for the six months ended 30 June 2026 have been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 *Interim Financial Reporting*. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2025 annual report.

Going Concern Assumption

For the six months ended 30 June 2026, the Group recorded a net loss of approximately RMB89.7 million and net operating cash outflows of approximately RMB20.9 million. As at that date, its current liabilities exceeded its current assets of approximately RMB117.5 million. In addition, the Group's current bank and other borrowings as at 30 June 2026 amounted to RMB501.3 million. These conditions may cast significant doubt on the Group's ability to continue as a going concern.

In view of these circumstances, the directors have given careful consideration to the Group's future liquidity, performance and available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. The directors of the Company have reviewed the Group's cash flow forecast covering a period of twelve months from the end of the reporting period (the "**Forecast Period**"), taking into account the Group's past operating performance and the plans and measures adopted to alleviate the liquidity pressure and improve cash flows, including the following:

(i) The Group successfully renewed bank loan of RMB222.0 million and drew down bank loan of RMB127.2 million from the related bank during the six months ended 30 June 2026 and has been actively negotiating with banks to extend the repayment terms of its existing bank loans in order to secure necessary funding to meet its working capital and financing requirements in the foreseeable future;

(ii) As at the date of approval of these interim condensed consolidated financial statements, the Group had unutilised bank and credit facilities amounting to approximately RMB113.0 million in aggregate; and

(iii) The directors of the Company are continuing to implement measures to improve the Group's working capital and cash flows, including the close monitoring of general administrative expenses and operating costs.

The directors of the Company are of the opinion that, taking into account the above-mentioned plans and measures and gearing ratio of 21.7%, the Group will have sufficient working capital to finance its operations and meet its obligations as and when they fall due during the Forecast Period. Accordingly, the directors of the Company consider that it is appropriate to prepare the Group's interim condensed consolidated financial statements for the six months ended 30 June 2026 on a going concern basis.

However, there are inherent uncertainty associated with the outcomes of the aforementioned plans and measures, including the successful negotiation with existing lenders for the renewal or extension of borrowing until the Group secures sufficient fundings for repayment.

These indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as going concern, and therefore it may not be able to realise its assets and discharge its liabilities in the normal course of business.

Should the Group fail to achieve the intended effects resulting from the plans and measures described above, it might not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying values of the Group's assets to their net realisable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in these interim condensed consolidated financial statements.

3. ACCOUNTING POLICIES

The Company and its subsidiaries (the "**Group**") have applied the same accounting policies and methods of computation in its interim condensed consolidated financial statements as in its 2025 annual report, except for the following new amendments which apply for the first time in 2026. However, not all of such new amendments are expected to impact the Group as they are either not relevant to the Group's activities or the required accounting policy is consistent with the Group's current accounting policies. The following amendments are effective for the period beginning from 1 January 2026.

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

The adoption of these amendments to HKFRS Accounting Standards did not have any material impact on the Group's accounting policies.

4. OPERATING SEGMENT INFORMATION

For the six months ended 30 June 2026

Segments	Game publishing RMB'000 (Unaudited)	Game development RMB'000 (Unaudited)	Licensing of intellectual property RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Segment revenue (Note 5)				
Sales to external customers	**280,530**	**51,525**	**23,067**	**355,122**
Intersegment sales	**–**	**–**	**1,988**	**1,988**
	280,530	**51,525**	**25,055**	**357,110**
Reconciliation:				
Elimination of intersegment sales				**(1,988)**
Total revenue from contracts with customers				**355,122**
Segment results	**50,516**	**12,332**	**4,937**	**67,785**
Reconciliation:				
Other income and gains, net				**8,025**
Selling and distribution expenses				**(30,518)**
Administrative expenses				**(35,992)**
Research and development costs				**(22,964)**
Impairment of financial assets, net				**(42,029)**
Write-off of prepayments				**(1,219)**
Fair value losses on financial assets at fair value through profit or loss				**(22,384)**
Other expenses				**(1,056)**
Finance costs				**(7,252)**
Share of profits and losses of associates				**(2,705)**
LOSS BEFORE TAX				**(90,309)**

For the six months ended 30 June 2025

Segments	Game publishing RMB'000 (Unaudited)	Game development RMB'000 (Unaudited)	Licensing of intellectual property RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Segment revenue (Note 5)				
Sales to external customers	656,364	73,193	33,477	763,034
Intersegment sales	–	–	1,837	1,837
	656,364	73,193	35,314	764,871
Reconciliation:				
Elimination of intersegment sales				(1,837)
Total revenue from contracts with customers				763,034
Segment results	227,210	9,329	22,040	258,579
Reconciliation:				
Other income and gains, net				8,072
Selling and distribution expenses				(372,861)
Administrative expenses				(85,829)
Research and development costs				(93,908)
Impairment of financial assets, net				(52,291)
Impairment of goodwill				(11,524)
Write-off of prepayments				(189,487)
Fair value losses on financial assets at fair value through profit or loss				(76,728)
Other expenses				(6,569)
Finance costs				(10,360)
Share of profits and losses of associates				(11,646)
LOSS BEFORE TAX				(644,552)

5. REVENUE

An analysis of revenue is as follows:

During the six months ended 30 June 2026, various games published by the Groups recorded suboptimal performance led to a decrease in revenue.

Disaggregated revenue information

For the six months ended 30 June 2026

Segments	**Game publishing RMB'000 (Unaudited)**	**Game development RMB'000 (Unaudited)**	**Licensing of intellectual property RMB'000 (Unaudited)**	**Total RMB'000 (Unaudited)**
Types of goods or services:				
Mobile game publishing services	**280,530**	**–**	**–**	**280,530**
Game development related services	**–**	**51,525**	**–**	**51,525**
Licensing of intellectual property	**–**	**–**	**23,067**	**23,067**
Total revenue	**280,530**	**51,525**	**23,067**	**355,122**
Revenue from contracts with customers under HKFRS 15 by geographical markets:				
Mainland China	**216,082**	**51,525**	**9,840**	**277,447**
Other countries/regions	**64,448**	**–**	**13,227**	**77,675**
	280,530	**51,525**	**23,067**	**355,122**
Revenue from contracts with customers under HKFRS 15 by timing of revenue recognition:				
Services transferred over time	**280,530**	**51,525**	**16,033**	**348,088**
Services transferred at a point in time	**–**	**–**	**7,034**	**7,034**
	280,530	**51,525**	**23,067**	**355,122**

For the six months ended 30 June 2025

Segments	Game publishing RMB'000 (Unaudited)	Game development RMB'000 (Unaudited)	Licensing of intellectual property RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Types of goods or services:				
Mobile game publishing services	656,364	–	–	656,364
Game development related services	–	73,193	–	73,193
Licensing of intellectual property	–	–	33,477	33,477
Total revenue	656,364	73,193	33,477	763,034
Revenue from contracts with customers under HKFRS 15 by geographical markets:				
Mainland China	426,536	68,501	33,018	528,055
Other countries/regions	229,828	4,692	459	234,979
	656,364	73,193	33,477	763,034
Revenue from contracts with customers under HKFRS 15 by timing of revenue recognition:				
Services transferred over time	656,364	73,193	33,477	763,034
	656,364	73,193	33,477	763,034

6. LOSS BEFORE TAX

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

	Notes	For the six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Commissions charged by publishing channels and third-party game developers	(a)	**217,274**	389,675
Commissions charged by intellectual properties ("**IP**") owners		**23,253**	26,382
Promotion expenses		**23,942**	364,282
Employee benefit expenses (including directors' remuneration):			
Wages and salaries		**35,684**	118,043
Pension scheme contributions (defined contribution scheme)	(b)	**4,192**	12,660
		39,876	130,703
Depreciation of property and equipment		**547**	1,451
Depreciation of right-of-use assets		**3,100**	6,943
Amortisation of other intangible assets			
— included in cost of sales		**33,828**	46,370
— included in administrative expenses		**12**	636
— included in research and development costs		**7**	7
		33,847	47,013
Research and development costs		**22,964**	93,908
Lease payments not included in the measurement of lease liabilities		**427**	874
Foreign exchange differences, net		**815**	(2,578)
Impairment of an investment in an associate	(d)	**–**	5,779
Impairment of trade receivables, net		**38,364**	52,458
Impairment/(reversal of impairment) of financial assets included in prepayments, other receivables and other assets		**3,665**	(167)
Write-off of prepayments	(c)	**1,219**	189,487
Impairment of goodwill		**–**	11,524
Bank interest income		**(48)**	(137)
Loss on disposals of items of property and equipment	(d)	**16**	882
Gain on lease modification		**–**	(130)
Auditor's remuneration		**1,422**	1,415
Fair value losses on financial assets at fair value through profit or loss		**22,384**	76,728

Notes:

(a) Zhejiang Century Huatong Group Co., Ltd ("**Century Huatong**"), a listed company on the Shenzhen Stock Exchange (SZSE:002602), and a wholly-owned subsidiary of Century Huatong is a limited partner of Changpei (Shanghai) Investment Centre (Limited Partnership) ("**Changpei Shanghai**"). Pursuant to the partnership agreement of Changpei Shanghai, the general partner shall have the exclusive and sole right of management of the affairs of the partnership and limited partners shall have no power to conduct the business of the partnership nor shall limited partners represent the partnership. Also, limited partners shall not participate in the management or control of the investment business of the partnership. As Century Huatong does not have any voting rights in the Company through its holding vehicles or significant influence on the Company, the directors of the Company believe that Century Huatong is an independent third party to the Group. Century Huatong provided publishing channel services to the Group, which amounted to RMB3,868,000 during the six months ended 30 June 2026 (2025: RMB11,002,000), and the balance of trade receivables from Century Huatong as at 30 June 2026 was RMB155,000 (31 December 2025: RMB210,000).

(b) There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

(c) Write-off of prepayments is presented as a separate line item in the condensed consolidated statement of profit or loss. These prepayments are related to certain mobile game projects which the Group had decided to terminate or the relevant prepaid licenses were expired during the period.

(d) Impairment of an investment in an associate and loss on disposal of items of property and equipment are included in "other expenses" in the condensed consolidated statement of profit or loss.

7. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Pursuant to the rules and regulations of the British Virgin Islands (the "**BVI**") and the Cayman Islands (the "**Cayman**"), the Group is not subject to any income tax in the BVI and the Cayman.

Hong Kong profits tax has been provided at the rate of 16.5% (2025: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK$2,000,000 (2025: HK$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2025: 8.25%) and the remaining assessable profits are taxed at 16.5% (2025: 16.5%).

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates.

Taxes on profits assessable in Mainland China have been calculated at the prevailing tax rates, based on existing legislation, interpretations and practices in respect thereof. Pursuant to the Corporate Income Tax Law in the People's Republic of China ("**PRC**") effective on 1 January 2008, the PRC corporate income tax rate of the Group's subsidiaries operating in Mainland China during the reporting period was 25% of their taxable profits.

Shenzhen Douyue Network Technology Co., Ltd. ("**Shenzhen Douyue**") and China Mobile Games and Entertainment Group Limited Shenzhen ("**Shenzhen Zhongshouyou**") were accredited as high and new technology enterprises ("**HNTE**") in 2020 under relevant PRC laws and regulations. Accordingly, Shenzhen Douyue and Shenzhen Zhongshouyou were entitled to a preferential Corporate Income Tax ("**CIT**") rate of 15%. The certificate was valid for three years since its renewal in 2023.

Chengdu Zhuoxing Technology Co., Ltd. ("**Chengdu Zhuoxing**") was accredited as HNTE in 2025 under relevant PRC laws and regulations. Accordingly, Chengdu Zhuoxing was entitled to a preferential CIT rate of 15% from 2025 to 2028.

Beijing Wenmai Hudong Technology Company Limited was accredited as HNTE in 2025 under relevant PRC laws and regulations. Accordingly, it was entitled to a preferential CIT rate of 15% from 2025 to 2028.

Tibet Jichuang Internet Technology Co., Ltd. ("**Tibet Jichuang**") was established in Lhasa Tibet. According to the applicable regulations promulgated by the State Council and relevant authorities, the applicable tax rate for Tibet Jichuang was 15% for 2025 and 2026.

Hainan Chuangyue Technology Company Limited ("**Hainan Chuangyue**") and Hainan Zhanshen Internet Technology Company Limited ("**Hainan Zhanshen**") were established in the Hainan Free Trade Port. According to the applicable regulations promulgated by the State Council and relevant authorities, the applicable tax rate for Hainan Chuangyue and Hainan Zhanshen was 15% for 2025.

Shenzhen Fansheng Network Technology Co,. Ltd. was accredited as a "software enterprise" in 2021 under relevant PRC laws and regulations. According to relevant policies, it was entitled to tax exemption from 2023 to 2024 and was entitled to a preferential CIT rate of 12.5% from 2025 to 2027.

Super Deduction

On 26 March 2023, the State Tax Bureau of the PRC issued the Public Notice 2023 No.7, announcing that the enterprises engaging in research and development activities are entitled to claim 200% of their "R&D" expenses incurred as tax deductible expenses in determining tax assessable profits from 2023 onwards. Certain qualified subsidiaries of the Group have claimed such super deduction in ascertaining their tax assessable profits/(losses) for the six months ended 30 June 2025 and 2026.

The major components of the income tax credit for the period are as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax expense		
PRC	**–**	12,522
Hong Kong	**–**	105
Elsewhere	**–**	29
	–	12,656
Deferred tax credit		
PRC	**(574)**	(12,954)
Total tax credit for the period	**(574)**	(298)

8. DIVIDENDS

The board of directors of the Company resolved not to pay any interim dividend to the shareholders in respect of the six months ended 30 June 2026 (2025: nil).

9. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculations of basic and diluted loss per share are based on:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss		
Loss attributable to ordinary equity holders of the parent, used in the basic and diluted loss per share calculation	**(90,155)**	(638,550)

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted loss per share calculation	**3,038,888,099**	2,995,413,777

The Group had no dilutive potential ordinary shares in issue during the six months ended 30 June 2026 and 2025 for which the exercise price of the share options exceeds the average market price of the ordinary shares during the respective period. Therefore, both basic and diluted loss per share are the same.

10. GOODWILL

	RMB'000
At 1 January 2025:	
Cost	1,147,749
Accumulated impairment	(635,204)
Net carrying amount	512,545
Cost at 1 January 2025, net of accumulated impairment	512,545
Impairment during the year	(58,273)
Net carrying amount at 31 December 2025	454,272
At 31 December 2025 and 1 January 2026:	
Cost	512,545
Accumulated impairment	(58,273)
Net carrying amount	454,272
Cost at 1 January 2026, net of accumulated impairment	**454,272**
Impairment during the period (Unaudited)	**–**
Net carrying amount at 30 June 2026 (Unaudited)	**454,272**
At 30 June 2026:	
Cost (Unaudited)	**512,545**
Accumulated impairment (Unaudited)	**(58,273)**
Net carrying amount (Unaudited)	**454,272**

Impairment testing of goodwill and intangible assets

As at 30 June 2026, goodwill and intangible assets are allocated to CGUs namely the Mobile Game Publishing CGU, the Wenmai Hudong CGU and the Beijing Softstar CGU for impairment testing. The recoverable amounts of the CGUs have been determined based on a value-in-use calculation using five-year period cash flow projections prepared on the basis of the financial budgets approved by senior management. The growth rate beyond the five-year period had been projected as 2%.

The respective recoverable amounts and the carrying values of the Mobile Game Publishing CGU, the Wenmai Hudong CGU and the Beijing Softstar CGU as at 30 June 2026 and 31 December 2025 are as follows:

Mobile Game Publishing CGU:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Recoverable amount	**830,000**	950,000
Carrying value including allocated goodwill	**738,130**	752,004
Headroom	**91,870**	197,996

Wenmai Hudong CGU:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Recoverable amount	**63,496**	59,000
Carrying value including allocated goodwill	**56,697**	59,000
Headroom	**6,799**	–

Beijing Softstar CGU:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Recoverable amount	**456,940**	482,184
Carrying value including allocated goodwill	**445,629**	457,887
Headroom	**11,311**	24,297

The pre-tax discount rates applied to the cash flow projections, the forecasted growth rates and gross margin used to extrapolate cash flow projections and terminal growth rates are follows:

Mobile game publishing CGU:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Growth rates (during the five-year period)	**(49%)–30%**	10%-30%
Gross margin	**33%**	38%
Net profit margin	**12%**	8%
Pre-tax discount rate	**16%**	16%
Terminal growth rate	**2%**	2%

Wenmai Hudong CGU:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Growth rates (during the five-year period)	**2%-132%**	2%-355%
Gross margin	**9%**	8%
Net profit margin	**5%**	2%
Pre-tax discount rate	**19%**	18%
Terminal growth rate	**2%**	2%

Beijing Softstar CGU:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Growth rates (during the five-year period)	**(5%)-15%**	2%-15%
Gross margin	**67%**	66%
Net profit margin	**40%**	37%
Pre-tax discount rate	**20%**	18%
Terminal growth rate	**2%**	2%

Assumptions were used in the value-in-use calculation of the CGUs for 30 June 2026 and 31 December 2025. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill and the impacts on estimated recoverable amounts for a reasonable possible change:

Revenue growth rate — The revenue growth rate is based on the average growth achieved in the past years and the expected revenue from newly launched games. If the revenue growth rates had been decreased by 1%, the estimated recoverable amounts shall decreased by:

	30 June 2026 RMB'000	31 December 2025 RMB'000
Mobile Game Publish CGU	**10,000**	10,000
Wenmai Hudong CGU	**635**	538
Beijing Softstar CGU	**2,810**	4,033

Budgeted gross margins — The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the past years and the expectation for market development. If the gross margins had been decreased by 1%, the estimated recoverable amounts shall decrease by:

	30 June 2026 RMB'000	31 December 2025 RMB'000
Mobile Game Publish CGU	**30,000**	70,000
Wenmai Hudong CGU	**960**	1,271
Beijing Softstar CGU	**3,548**	5,077

Budgeted net profit margins — The basis used to determine the value assigned to the budgeted net profit margins is the average net profit margins achieved in the past years and the expectation for market development. If the net profit margins had been decreased by 1%, the estimated recoverable amounts shall decrease by:

	30 June 2026 RMB'000	31 December 2025 RMB'000
Mobile Game Publish CGU	**20,000**	20,000
Wenmai Hudong CGU	**561**	426
Beijing Softstar CGU	**2,803**	3,021

Discount rate — The discount rate used is before tax and reflects specific risks relating to the relevant unit. If the discount rates had been increased by 0.25%, the estimated recoverable amounts shall decrease by:

	30 June 2026 RMB'000	31 December 2025 RMB'000
Mobile Game Publish CGU	**30,000**	40,000
Wenmai Hudong CGU	**142**	651
Beijing Softstar CGU	**1,241**	1,417

The values assigned to the key assumptions on market development and the discount rate are consistent with external information sources.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Listed equity investments, at fair value	**60,091**	30,468
Unlisted equity investments, at fair value	**742,815**	788,395
Convertible loans, at fair value	**178,078**	203,681
	980,984	1,022,544

In April 2018, CMGE Group Limited, transferred the investment in China Prosperity Capital Mobile Internet Fund L.P. ("**CPC Fund**") to the Group. In June 2018, the Group injected cash of US$8,300,000 (equivalent to RMB54,442,000) to CPC Fund. The Group acted as a limited partner and held 25.65% of its limited partnership interests. The fair value of the investment in CPC Fund was RMB200,715,000 (31 December 2025: RMB233,892,000) as at 30 June 2026.

In February 2020, Guohong Jiaxin (Shenzhen) Angel Venture Capital Enterprise (L.P.) ("**Angel Venture**") has been set up after obtaining all the related licenses and approval documentations. The fair value of the investment in Angel Venture was RMB248,000,000 (31 December 2025: RMB227,000,000) as at 30 June 2026.

Pursuant to the relevant agreements of these two funds, the Group is entitled to investment return, but has no right or power to participate in the management or control of the funds. Therefore, the Group has neither control nor significant influence on CPC Fund and Angel Venture and they are treated as financial assets at fair value through profit or loss.

12. TRADE AND BILLS RECEIVABLES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade receivables	**767,093**	830,413
Allowance for impairment	**(532,691)**	(495,927)
Trade receivables, net	**234,402**	334,486
Bills receivables	**2,663**	1,433
Trade and bills receivables, net	**237,065**	335,919

Trade receivables mainly represent amounts receivable from third-party publishing channels. The Group normally allows credit terms of 180 days for established channels and other counterparties and extends credit terms up to 270 days for major channels and other major counterparties. Bills receivables are received from independent customers under the ordinary course of business. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. Trade and bills receivables are non-interest-bearing.

The Group's bills receivables of RMB2,663,000 as at 30 June 2026 (Unaudited) (31 December 2025: RMB1,433,000) were transferred to banks by discounting on a full recourse basis. As the Group has not transferred the significant risks and rewards, it continues to recognise the full carrying amount and has recognised the cash received on the transfer as a collateralised borrowing. These financial assets are carried at amortised cost in the condensed consolidated statement of financial position.

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

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 6 months	**72,624**	119,738
6 months to 1 year	**45,927**	44,008
1 year to 18 months	**27,888**	82,201
18 months to 2 years	**57,117**	44,148
Over 2 years	**30,846**	44,391
Total	**234,402**	334,486

13. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Non-current portion		
Prepayments*	**311,296**	299,413
Other receivables**	**13,489**	13,869
	324,785	313,282
Current portion		
Prepayments*	**328,132**	280,714
Deposits and other receivables**	**112,450**	115,809
Contract costs	**15,305**	17,235
	455,887	413,758
Total	**780,672**	727,040

Note:

* During the process of developing and publishing mobile games, certain prepayments are agreed to be and have been made by the Group pursuant to the relevant game production contracts entered into with the game developers or licensors of the relevant IP rights. These prepayments are commonly known in the industry as prepaid minimum guarantees and prepaid license fees.

Prepaid minimum guarantees are made by the Group as game publishers to game developers before the release of the games. Prepaid minimum guarantees serve as an incentive to encourage game developers to devote resources into the research and development of certain games and are used to guarantee the collaboration between the Group (as game publisher) and the game developers in relation to the publishing of the games.

Prepaid licenses fees are fixed fees made by the Group as game publishers to game developers or licensors as consideration for acquiring the rights to use the IP, the dealership rights or the distribution rights of certain games.

Prepayments as at 30 June 2026 mainly included prepaid minimum guarantees of approximately RMB247,813,000 (Unaudited) (31 December 2025: RMB265,954,000) and prepaid license fees of approximately RMB311,296,000 (Unaudited) (31 December 2025: RMB299,413,000).

** Deposits and other receivables as at 30 June 2026 mainly included receivable from disposal of investments of approximately RMB57,116,000 (Unaudited) (31 December 2025: RMB28,036,000) and deductible Input VAT of approximately RMB34,916,000 (Unaudited) (31 December 2025: RMB47,575,000).

14. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the billing date, is as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 3 months	**41,030**	45,349
3 to 6 months	**38,284**	29,654
6 months to 1 year	**30,683**	21,855
Over 1 year	**57,054**	40,682
Total	**167,051**	137,540

The trade payables are non-interest bearing and are normally settled on 180-day terms.

SIGNIFICANT INVESTMENTS AND MATERIAL ACQUISITIONS OR DISPOSAL

During the six months ended 30 June 2026, and up to the date of this announcement, the Group did not make any significant investment, or perform any material acquisition or disposal of subsidiaries, associates and joint ventures.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group will continue to focus on its existing business and will apply the net proceeds from the Subscription as set out in the relevant announcements dated 20 April 2026 and 28 April 2026. The Group did not have concrete plans for material investments or capital assets as at 30 June 2026.

USE OF PROCEEDS FROM THE SUBSCRIPTION

The net proceeds from the Subscription was approximately HK$29.5 million after deducting related fees and expenses in connection with the Subscription. The Company has applied the net proceeds in the manner as set out in the Company's announcements dated 20 April 2026 and 28 April 2026.

The table below sets forth (i) the amount of net proceeds utilised by the Company between the completion of the Subscription and 30 June 2026; (ii) the amount of unutilised net proceeds of the Company as at 30 June 2026; and (iii) the expected timeline of the Company for the full utilisation of the remaining unutilised net proceeds:

Purpose	Amount of the net proceeds (HK$ in millions)	Amount of net proceeds utilised between the completion of the Subscription and 30 June 2026 (HK$ in millions)	Amount of unutilised net proceeds as at 30 June 2026 (HK$ in millions)	Expected timeline for the full utilisation of the remaining unutilised net proceeds
Financing game publishing costs	29.5	23.9	5.6	Before 31 December 2026

The Company will continue to evaluate the situation and adopt a prudent and flexible approach when utilising its net proceeds from the Subscription for the long-term benefit and development of the Group. The current expected timeline for using the unutilised net proceeds from the Subscription is based on the Directors' best estimation barring unforeseeable circumstances, and is subject to change based on the future development of market conditions. Should there be any material change in the intended usage of the net proceeds from the Subscription, the Company will publish an announcement as and when appropriate.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

On 20 April 2026 (after trading hours), the Company entered into separate subscription agreements (collectively the "**Subscription Agreements**") with Secure Precision Limited, Tanwan Inc. and Shengqu Technology Korean Limited (all as subscribers), pursuant to which the subscribers have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, an aggregate of 122,950,818 ordinary shares (the "**Subscription Shares**") at the subscription price of HK$0.244 per share (with the closing price of HK$0.260 per Share as quoted on the Stock Exchange on the date of the Subscription Agreements).

The Subscription was completed on 28 April 2026 and the Group received a total net proceeds of approximately HK$29.5 million upon completion (the net price to the Group of each Subscription Share is approximately HK$0.24). The Subscription Shares have an aggregate nominal value of US$12,295.0818. The Group has applied part of the net proceeds from the Subscription to finance its game publishing costs and intends to apply the remaining part for the same purpose. The Directors consider that the issue of the Subscription Shares represents an opportunity to raise capital for the Group's game publishing operations needs. The Directors believe that the Company, by entering into the Subscription Agreements, will benefit the Group's long term development and broaden its shareholder and capital base to facilitate the future growth and development of its business. Further details regarding the use of proceeds from the Subscription are set forth under the section headed "Use of Proceeds from the Subscription" of this announcement.

Save as disclosed above, the Group did not purchase, sell or redeem any of the Company's listed securities during the six months ended 30 June 2026.

DIVIDENDS

The Board did not propose payment of any interim dividend for the six months ended 30 June 2026 (30 June 2025: Nil).

CHANGE IN INFORMATION IN RESPECT OF DIRECTORS

There has been no change to any of the information required to be disclosed in relation to any Director pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") during the six months ended 30 June 2026 and up to the date of this announcement.

CORPORATE GOVERNANCE PRACTICES

During the six months ended 30 June 2026, the Company had complied with the applicable code provisions of Part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules (the "**CG Code**") except for a deviation from code provision C.2.1 of the CG Code. Pursuant to code provision C.2.1 of the CG Code, the roles of the chairman and the chief executive officer of a listed company should be segregated and should not be performed by the same individual. However, the Group does not have a separate chairman and chief executive officer and Mr. Xiao Jian currently performs these two roles. The Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board currently comprises three executive Directors (namely Mr. Xiao Jian, Mr. Sin Hendrick *M.H., J.P.* and Mr. Fan Yingjie), two non-executive Directors and three independent non-executive Directors, and therefore considers that it has a fairly strong independence element in its composition. The Board also considers that the balance of power and authority under the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider separating the roles of chairman of the Board and chief executive officer of the Company at a time when it is appropriate and suitable by taking into account the circumstances of the Company as a whole.

DIRECTORS' DEALING IN SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules ("**Model Code**") as its own code of conduct regarding dealings in the securities of the Company by the Directors, senior management members, and employees who, because of his/her office or employment, is likely to possess inside information in relation to the Group or the Company's securities.

All Directors have confirmed, following specific enquiry by the Company, that they have fully complied with the required standards set out in the Model Code throughout the period from 1 January 2026 to 30 June 2026.

AUDIT COMMITTEE

The Audit Committee has reviewed the Company's unaudited consolidated financial statements and this interim results announcement for the Reporting Period, including the accounting principles and practices adopted by the Group, and discussed with management regarding auditing, risk management and internal control, and financial reporting matters.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

The following is an extract of BDO Limited's report on the Group's interim condensed consolidated financial statements for the period ended 30 June 2026.

We draw attention to Note 2 in the interim condensed consolidated financial statements, which indicates that the Group recorded a net loss of approximately RMB89.7 million and net operating cash outflows of approximately RMB20.9 million for the six months ended 30 June 2026 and its current liabilities exceeded its current assets by approximately RMB117.5 million as at that date. As at 30 June 2026, the Group's current bank and other borrowings amounted to approximately RMB501.3 million. As stated in note 2, these conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

The interim results announcement is published on the websites of the Stock Exchange (**www.hkexnews.hk**) and the Company (**www.cmge.com**). The interim report will be despatched to the shareholders and will be available on the websites of the Stock Exchange and the Company in due course.

By order of the Board
CMGE Technology Group Limited
Xiao Jian
Chairman

Hong Kong, 25 August 2026

As at the date of this announcement, the Board comprises Mr. Xiao Jian, Mr. Sin Hendrick M.H., J.P. and Mr. Fan Yingjie as executive Directors; Mr. Jiang Yukai and Mr. Liu Shanshan as non-executive Directors; and Ms. Ng Yi Kum, Mr. Tang Liang and Mr. Ho Orlando Yaukai as independent non-executive Directors.