CHANGYOU INTERNATIONAL GROUP LIMITED
暢由國際集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1039)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

- The revenue of the Group decreased by approximately 14.6% to approximately RMB77.2 million for the six months ended 30 June 2026 (30 June 2025: approximately RMB90.4 million).
- The gross merchandise value of Changyou Alliance business amounted to approximately RMB109.1 million for the six months ended 30 June 2026 (30 June 2025: approximately RMB122.7 million), representing a decrease of approximately 11.1%.
- The gross profit of the Group for the six months ended 30 June 2026 amounted to approximately RMB19.8 million (30 June 2025: approximately RMB19.6 million).
- The Group recorded a profit of approximately RMB3.7 million for the six months ended 30 June 2026 (30 June 2025: loss of approximately RMB3.8 million).
- The basic and diluted loss per share amounted to RMB0.25 cent for the six months ended 30 June 2026 (30 June 2025: RMB0.26 cent).
- The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2026.

The board (the "**Board**") of directors (the "**Directors**") of Changyou International Group Limited (the "**Company**" or "**Changyou**") presents herewith the unaudited consolidated interim financial results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2026 (the "**Reporting Period**"). The interim financial information has been reviewed by the audit committee of the Company (the "**Audit Committee**").

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026 – unaudited
*(Expressed in Renminbi ("**RMB**"))*

		Six months ended 30 June	
		2026	2025
	Note	***RMB'000***	*RMB'000*
Revenue	*4*	**77,204**	90,372
Cost of sales		**(57,426)**	(70,739)
Gross profit		**19,778**	19,633
Other income/(expenses)	*5*	**182**	(50)
Selling and distribution expenses		**(1,952)**	(1,940)
Administrative expenses		**(9,520)**	(9,829)
Research and development costs		**(2,700)**	(3,439)
Profit from operations		**5,788**	4,375
Finance costs	*6(a)*	**(977)**	(5,314)
Loss arising from changes in fair value on trading securities		**(119)**	(16)
Profit/(loss) before taxation	*6*	**4,692**	(955)
Income tax	*7*	**(955)**	(2,833)
Profit/(loss) for the period		**3,737**	(3,788)
Attributable to:			
Equity shareholders of the Company		**(4,588)**	(4,657)
Non-controlling interests		**8,325**	869
Profit/(loss) for the period		**3,737**	(3,788)
Loss per share			
Basic and diluted (RMB cent)	*9*	**(0.25)**	(0.26)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026 – unaudited
(Expressed in RMB)

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Profit/(loss) for the period	**3,737**	(3,788)
Other comprehensive income for the period (after tax):		
Item that may be reclassified subsequently to profit or loss:		
– Exchange differences on translation of financial statements into the Group's presentation currency	**(1,258)**	(743)
Total comprehensive income for the period	**2,479**	(4,531)
Attributable to:		
Equity shareholders of the Company	**(5,846)**	(5,400)
Non-controlling interests	**8,325**	869
Total comprehensive income for the period	**2,479**	(4,531)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026 – unaudited
(Expressed in RMB)

	Note	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Non-current assets			
Property and equipment	10	**777**	1,393
Deferred tax assets		**207**	1,162
		984	2,555
Current assets			
Trading securities	16	**68**	169
Inventories		**28**	28
Trade and other receivables	11	**109,044**	112,449
Cash and cash equivalents	12	**38,936**	33,637
		148,076	146,283
Current liabilities			
Trade and other payables	13	**130,474**	134,811
Lease liabilities		**327**	621
Convertible bonds	14	**118,936**	–
		249,737	135,432
Net current (liabilities)/assets		**(101,661)**	10,851
Total assets less current liabilities		**(100,677)**	13,406
Non-current liabilities			
Lease liabilities		**–**	69
Convertible bonds	14	**–**	116,436
Loans from an equity shareholder of the Company	15	**58,245**	58,302
		58,245	174,807
NET LIABILITIES		**(158,922)**	(161,401)
CAPITAL AND RESERVES			
Share capital		**117,812**	117,812
Reserves		**95,886**	101,732
Total equity attributable to equity shareholders of the Company		**213,698**	219,544
Non-controlling interests		**(372,620)**	(380,945)
TOTAL EQUITY – DEFICIT		**(158,922)**	(161,401)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026 – unaudited

(Expressed in RMB)

	Attributable to equity shareholders of the Company								
	Share capital *RMB'000*	Share premium *RMB'000*	Capital reserve *RMB'000*	Exchange reserve *RMB'000*	Other reserve *RMB'000*	Accumulated losses *RMB'000*	Total *RMB'000*	Non-controlling interests *RMB'000*	Total equity-deficit *RMB'000*
Balance at 1 January 2025	117,812	1,265,079	12,401	(541)	43,263	(1,205,317)	232,697	(387,058)	(154,361)
Changes in equity for the six months ended 30 June 2025:									
Loss for the period	–	–	–	–	–	(4,657)	(4,657)	869	(3,788)
Other comprehensive income	–	–	–	(743)	–	–	(743)	–	(743)
Total comprehensive income	–	–	–	(743)	–	(4,657)	(5,400)	869	(4,531)
Balance at 30 June 2025 and 1 July 2025	117,812	1,265,079	12,401	(1,284)	43,263	(1,209,974)	227,297	(386,189)	(158,892)
Changes in equity for the six months ended 31 December 2025:									
Loss for the period	–	–	–	–	–	(11,427)	(11,427)	5,244	(6,183)
Other comprehensive income	–	–	–	3,732	–	–	3,732	–	3,732
Total comprehensive income	–	–	–	3,732	–	(11,427)	(7,695)	5,244	(2,451)
Disposal of subsidiaries	–	–	–	–	(58)	–	(58)	–	(58)
Balance at 31 December 2025	117,812	1,265,079	12,401	2,448	43,205	(1,221,401)	219,544	(380,945)	(161,401)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026 – unaudited (continued)

(Expressed in RMB)

	Attributable to equity shareholders of the Company								
	Share capital *RMB'000*	Share premium *RMB'000*	Capital reserve *RMB'000*	Exchange reserve *RMB'000*	Other reserve *RMB'000*	Accumulated losses *RMB'000*	Total *RMB'000*	Non-controlling interests *RMB'000*	Total equity-deficit *RMB'000*
Balance at 1 January 2026	**117,812**	**1,265,079**	**12,401**	**2,448**	**43,205**	**(1,221,401)**	**219,544**	**(380,945)**	**(161,401)**
Changes in equity for the six months ended 30 June 2026:									
Profit for the period	–	–	–	–	–	(4,588)	(4,588)	8,325	3,737
Other comprehensive income	–	–	–	(1,258)	–	–	(1,258)	–	(1,258)
Total comprehensive income	–	–	–	(1,258)	–	(4,588)	(5,846)	8,325	2,479
Balance at 30 June 2026	**117,812**	**1,265,079**	**12,401**	**1,190**	**43,205**	**(1,225,989)**	**213,698**	**(372,620)**	**(158,922)**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2026 – unaudited

(Expressed in RMB)

		Six months ended 30 June	
		2026	2025
	Note	***RMB'000***	*RMB'000*
Operating activities			
Cash used in operations		**9,734**	18,875
Income tax paid		**–**	–
Net cash generated from operating activities		**9,734**	18,875
Investing activities			
Payments for purchase of property and equipment		**(4)**	(48)
Interest received		**25**	5
Net cash generated from/(used in) investing activities		**21**	(43)
Financing activities			
Repayment to a shareholder of the Company		**(4,196)**	–
Capital element of lease rentals paid		**(227)**	(456)
Interest element of lease rentals paid		**(9)**	(21)
Net cash used in financing activities		**(4,432)**	(477)
Net increase in cash and cash equivalents		**5,323**	18,355
Cash and cash equivalents at 1 January	*12*	**33,637**	8,230
Effect of foreign exchange rate changes		**(24)**	(19)
Cash and cash equivalents at 30 June	*12*	**38,936**	26,566

Notes

(Expressed in RMB unless otherwise indicated)

1 Corporate information

The Company was incorporated in the Cayman Islands on 21 May 2008 as an exempted company with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The shares of the Company were listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 24 September 2010. The condensed consolidated financial statements of the Company as at and for the six months ended 30 June 2026 comprise the Group.

The principal activities of the Group are the development and operation of an electronic trading platform to promote and facilitate awards earned by customers of loyalty programmes of other companies to be exchanged in the People's Republic of China ("**PRC**") in the form of virtual assets and credits for consumption of merchandises, games, services and other commercial transactions and other trading business.

2 Basis of preparation

This interim financial information has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"), including compliance with Hong Kong Accounting Standard ("**HKAS**") 34, Interim financial reporting, issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). It was authorised for issue on 26 August 2026.

The interim financial information has been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements. Details of any changes in accounting policies are set out in Note 3.

The measurement basis used in the preparation of the financial statements is the historical cost basis except for trading securities and derivative financial instruments which are stated at their fair values.

The preparation of an interim financial information in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

This interim financial information contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2025 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**").

The financial information relating to the financial year ended 31 December 2025 that is included in the interim financial report as comparative information does not constitute the Company's statutory financial statements for that financial year but is derived from those financial statements.

For the six months ended 30 June 2026, the Group had net current liabilities and net liabilities of RMB101,661,000 and RMB158,922,000, respectively. In addition, as at 30 June 2026, the Group only had cash and cash equivalents of RMB38,936,000 while the Group had loans from its immediate and ultimate holding company, Century Investment (Holding) Limited ("**Century Investment**") of RMB58,245,000 in aggregate that are repayable in July and September 2027 (Note 15), and convertible bonds issued to Century Investment that are repayable in April 2027 (Note 14) and its liability component was RMB118,936,000.

In this regard, for the purpose of assessing the Group's ability to continue as a going concern, the management is in discussion with Century Investment, to provide the necessary financial support when required, including but not limited to (i) the provision of the drawdown of the Group's unused loan facilities with Century Investment of an aggregate sum of HK$48,539,000 (equivalent to approximately RMB42,159,000); and (ii) the extension of the repayment dates of the loan facilities from and the convertible bonds issued to Century Investment.

Based on the management's assessment and assuming the successful implementation of the above measures, the directors of the Company are of the opinion that the Group would have sufficient funds to meet its obligations as and when they fall due at least twelve months from the end of the Reporting Period. Accordingly, the directors of the Company consider it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, the Group's ability to continue as a going concern is largely dependent on the financial ability and timely provision of financial support by Century Investment. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

Should the Group be unable to continue as a going concern, adjustments would have to be made to write down the value of assets to their realisable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

The principal activities of the Group were carried out by Shanghai Sub-chain Information Technology Co., Ltd. ("**Sub-chain**", VIE), which was established as a limited liability company in the PRC, and its subsidiaries. Since the business conducted by Sub-chain and its subsidiaries is subject to foreign investment restrictions under the relevant laws and regulations in the PRC, Centchain Co., Ltd. ("**Centchain**", WFOE), a subsidiary of the Company, entered into a series of agreements (the "**Contractual Arrangements**") with Sub-chain and its equity shareholders. As a result of the Contractual Arrangements, the Group has rights to exercise power over Sub-chain and its subsidiaries, receives variable returns from its involvement in Sub-chain and its subsidiaries, has the ability to affect those returns, and hence, has the control over Sub-chain and its subsidiaries. Consequently, the Group regards Sub-chain and its subsidiaries as controlled entities, and the directors of the Company consider it is appropriate to account Sub-chain as a subsidiary. The directors of the Company have determined that the Contractual Arrangements are in compliance with PRC laws and are legally enforceable.

3 Changes in accounting policies

(a) New and amended HKFRSs

The Group has applied the following amended HKFRSs issued by the HKICPA to these financial statements for the current accounting period:

- Amendments to HKFRS 9 and HKFRS 7, Amendments to the Classification and Measurement of Financial Instruments

- Amendments to HKFRS 9 and HKFRS 7, Contracts Referencing Nature-dependent Electricity

- Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7, Annual Improvements to HKFRS Accounting Standards – Volume 11

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 Revenue

The principal activities of the Group are (1) sales of goods in the form of virtual assets and credits for consumption of merchandises, games, services and other commercial transactions through the development and operation of an electronic trading platform to promote and facilitate awards earned by customers of loyalty programmes of other companies to be exchanged in the PRC and (2) other trading business. The directors of the Company consider the above is the only business of the Group, and accordingly, no segment information is presented.

Disaggregation of revenue

Disaggregation of revenue from contracts with customers is analysed as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of HKFRS 15 disaggregated by major products or service lines and by timing of revenue recognition		
Revenue from facilitation of digital point business through operation of an electronic platform and other trading business:		
– Point in time	**77,204**	90,372

5 Other income/(expenses)

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Interest income	**25**	5
Loss on lease termination, net	**–**	(354)
Others	**157**	299
	182	(50)

6 Profit/(loss) before taxation

Profit/(loss) before taxation is arrived at after charging:

(a) Finance costs:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Finance charges on convertible bonds (Note 14)	**7,055**	6,578
Interest expenses on lease liabilities	**9**	21
Interest expenses on loans from an equity shareholder of the Company	**2,218**	2,053
	9,282	8,652
Net foreign exchange gain	**(8,305)**	(3,338)
	977	5,314

(b) Staff costs:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Salaries, wages and other benefits	**8,610**	8,408
Termination benefits	**–**	76
Contributions to defined contribution retirement plans	**487**	543
	9,097	9,027

(c) Other items:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Cost of inventories	**57,426**	70,739
Depreciation charge:		
– owned property and equipment	**116**	152
– right-of-use assets	**347**	443
Operating lease charges relating to short-term leases and leases of low-value assets	**897**	984

7 Income tax

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Deferred tax expense	**955**	2,833

The Company and the subsidiaries of the Group incorporated in Hong Kong are subject to Hong Kong Profits Tax rate of 16.5% for the six months ended 30 June 2026 (six months ended 30 June 2025: 16.5%).

The Company and the subsidiaries of the Group incorporated in the Cayman Islands and the British Virgin Islands, respectively, are not subject to any income tax pursuant to the rules and regulations of their respective countries of incorporation.

The subsidiaries of the Group established in the PRC (excluding Hong Kong) are subject to PRC Corporate Income Tax rate of 25% for the six months ended 30 June 2026 (six months ended 30 June 2025: 25%).

One of the subsidiaries of the Group established in the PRC has obtained approval from the tax bureau to be taxed as an enterprise with advanced and new technologies for the period from the calendar years from 2025 to 2028 and therefore enjoys a preferential PRC Corporate Income Tax rate of 15% for the six months ended 30 June 2026 (six months ended 30 June 2025: 15%).

8 Dividends

The directors of the Company do not recommend the payment of interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

9 Loss per share

(a) Basic loss per share

The basic loss per share for the six months ended 30 June 2026 is calculated based on the loss attributable to equity shareholders of the Company of RMB4,588,000 (six months ended 30 June 2025: RMB4,657,000) and the weighted average number of ordinary shares of 1,810,953,272 (six months ended 30 June 2025: 1,810,953,272 ordinary shares) in issue during the six months ended 30 June 2026.

(b) Diluted loss per share

The Group's convertible bonds, share options granted and warrants issued could potentially dilute basic loss per share in the future, but were not included in the calculation of diluted loss per share because they are antidilutive during the six months ended 30 June 2026 and 2025.

10 Property and equipment

(a) Right-of-use assets

During the six months ended 30 June 2026, there was no addition to right-of-use assets (six months ended 30 June 2025: Nil).

(b) Owned property and equipment

During the six months ended 30 June 2026, the Group acquired items of property and equipment with a cost of RMB4,000 (six months ended 30 June 2025: RMB45,000).

11 Trade and other receivables

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Trade receivables	**2,577**	6,025
Less: loss allowance	**(92)**	(92)
	2,485	5,933
Other receivables:		
– Receivable for issuance of shares of a subsidiary to a non-controlling equity shareholder (Note (i))	**100,000**	100,000
– Others	**3,088**	3,291
	103,088	103,291
Financial assets measured at amortised cost	**105,573**	109,224
Prepayments and deposits	**3,471**	3,225
	109,044	112,449

Trade receivables are generally due immediately from the date of billing. Normally, the Group does not obtain collateral from debtors.

Note:

(i) In 2019, Pointsea Company Limited ("**PCL**"), an indirect non-wholly owned subsidiary of the Company, issued 28,036,564 new shares to one investor. Proceeds of RMB100,000,000 from the investor has not yet been received while the investor granted an advance of RMB100,000,000 to PCL (see Note 13) which is non-interest bearing and will mature upon receipt of the proceeds for shares issued to the investor by PCL.

(a) Ageing analysis

As of the end of the Reporting Period, the ageing analysis of trade receivables (net of loss allowance), included in trade and other receivables, based on the invoice date, is as follows:

	At 30 June 2026	At 31 December 2025
	RMB'000	*RMB'000*
Within 3 months	**2,403**	5,928
Over 3 months but within 6 months	**20**	2
Over 6 months	**62**	3
	2,485	5,933

12 Cash and cash equivalents

	At 30 June 2026	At 31 December 2025
	RMB'000	*RMB'000*
Cash at bank and on hand	**38,936**	33,637

The Group's operations in the PRC (excluding Hong Kong) conduct their businesses in RMB. RMB is not a freely convertible currency and the remittance of funds out of the PRC (excluding Hong Kong) is subject to the exchange restrictions imposed by the PRC government.

13 Trade and other payables

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Trade payables	**21,007**	17,362
Payables for staff related costs	**3,809**	5,512
Advance from a non-controlling equity shareholder of a subsidiary (Note 11(i))	**100,000**	100,000
Advance from a shareholder of the Company	**–**	4,328
Others	**4,845**	6,730
	108,654	116,570
Financial liabilities measured at amortised cost	**129,661**	133,932
Deposits received from business partners in connection with the digital point business	**731**	741
Contract liabilities	**82**	138
	130,474	134,811

As of the end of the Reporting Period, the ageing analysis of trade payables included in trade and other payables, based on the invoice date, is as follows:

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Within 3 months	**17,952**	16,691
3 to 6 months	**1,882**	41
Over 6 months	**1,173**	630
	21,007	17,362

14 Convertible bonds

The Group's convertible bonds are analysed as follows:

	Liability components *RMB'000*
At 1 January 2025	108,045
Modification of convertible bonds	(2,453)
Effective interest expense	13,617
Exchange adjustments	(2,773)
At 31 December 2025 and 1 January 2026	**116,436**
Effective interest expense	**7,055**
Exchange adjustments	**(4,555)**
At 30 June 2026	**118,936**

In October 2020, the Company issued convertible bonds with face value of HK$126,000,000 (equivalent to approximately RMB108,945,000) ("**CB1**") to Century Investment. CB1 bears interest at 3.5% per annum and matured on 19 October 2023. The Company has the right to redeem all or part of CB1 (i.e. the call option) at any time before the maturity date. As the call option is closely related to the host contract, the call option is not accounted for as a separate derivative financial instrument. Upon issuance of CB1, Century Investment can convert CB1 into the Company's ordinary shares at HK$0.42 per share (i.e. the conversion option) at any time, in whole or in part, before 14 October 2023. The conversion option amounted to RMB59,212,000 was regarded as an equity component of CB1 and credited to the Company's capital reserve account.

CB1 matured on 19 October 2023 and Century Investment did not exercise the conversion rights attached thereto. Century Investment has confirmed that it would not require the Company to redeem the CB1 in full on the maturity date, and the Company would not be in breach of any terms of the CB1 as a result thereof. The conversion option and the call option under CB1 lapsed on 19 October 2023 and the amount of HK$126,000,000 with accrued interest remained outstanding to Century Investment as at 31 December 2023.

In January 2024, the Company entered into a Subscription Agreement (the "**Subscription Agreement**") with Century Investment pursuant to which the Company would issue convertible bonds with aggregate principal amount of HK$126,000,000 ("**CB2**") to Century Investment upon fulfilment of the conditions set out therein. Based on the terms of CB2, upon issuance of CB2, CB1 would be redeemed and the outstanding amount of the principal under CB1 would be set off against all amounts owed by Century Investment to the Company in respect of the issue price under or in connection with the Subscription Agreement. On 23 April 2024, all the conditions set out in the Subscription Agreement, including the approval of Company's independent equity shareholders', were fulfilled and the issuance of CB2 was completed.

Upon the completion of the issuance of CB2, on 23 April 2024, after taking into account all relevant facts and circumstances, the revision of the contractual terms of CB1 and the issuance of CB2 were accounted for as a substantial modification of the financial liability. The original financial liability of CB1 was derecognised and a new convertible bond of CB2 was recognised.

CB2 is denominated in Hong Kong dollars, which is the same as the functional currency of the Company. Under CB2, Century Investment is entitled to convert the bonds, in whole or in part, into ordinary shares of the Company at any time between the date of issue of the bonds and their maturity date on 23 April 2027 at a conversion price of HK$0.42 per share of the Company. The Company has the option to redeem all or part of CB2 at any time before the maturity date (i.e. the early redemption option). If CB2 has not been converted or redeemed, it will be redeemed by the Company on 23 April 2027 at the outstanding principal amount of CB2 together with interest accrued thereon. Interest of 8% per annum will be paid semi-annually until the maturity date.

At initial recognition, the equity component of CB2 of RMB12,401,000 was separated from the liability component. The equity element is presented in equity heading "capital reserve". The early redemption option is closely related to the host contract and is not accounted for as a separate derivate financial instrument. The effective interest rate of the liability component is 13.0%.

On 23 April 2025, the Company and Century Investment entered into a supplemental agreement ("**CB2 Supplemental Agreement**") to modify the terms of CB2 with key modifications as follows:

- all future semi-annual interest payments originally scheduled on and from 23 April 2025 onwards are deferred to the maturity date of CB2 (23 April 2027); and

- the failure to pay interest on and from 23 April 2025 onwards to the maturity date is not treated as a default under the terms of the CB2 Supplemental Agreement, and the rights to demand for immediate redemption of the outstanding principal and interest amounts are waived.

Save for the modification to the interest payment schedule as described above, all other terms and conditions of the CB2, including the principal amount, the interest of 8% per annum, the maturity date, the call option and the conversion option, are unchanged and no penalty charges apply.

15 Loans from an equity shareholder of the Company

In 2020, PCL, a subsidiary of the Company, and Century Investment entered into revolving loan facility agreements ("**Facility Agreements**"), pursuant to which Century Investment granted revolving loan facilities of HK$111,000,000 to PCL. The loan facilities will expire after 3 years or such later date as may be agreed between PCL and Century Investment in writing, representing the date upon which the Company is to repay all loans drawn under the Facility Agreements in full.

On 2 May 2023, PCL and Century Investment entered into a supplemental revolving loan facility agreement, pursuant to which both PCL and Century Investment agreed to extend the term of the loan period from 3 years to 4 years. On 30 May 2024, PCL and Century Investment entered into a supplemental revolving loan facility agreement, pursuant to which both PCL and Century Investment agreed to extend the term of the loan period from 4 years to 5 years. On 28 July 2025, PCL and Century Investment entered into a supplemental revolving loan facility agreement, pursuant to which both PCL and Century Investment agreed to extend the term of the loan period from 5 years to 7 years and accordingly, the Facility Agreements will expire in July 2027 and September 2027.

The Facility Agreements are unsecured with an interest rate of (a) 6.5% per annum from and including the drawdown date to, but excluding, 31 May 2024; and (b) 8% per annum from and including 31 May 2024 applicable to all loans drawn under the Facility Agreements.

At 30 June 2026, the outstanding principal of loans drawn under the Facility Agreements is HK$62,461,000 (equivalent to approximately RMB54,250,000) (31 December 2025: HK$62,461,000 (equivalent to approximately RMB56,415,000)), and the loans are repayable at the end of the terms of the facilities agreements ranging from July to September 2027.

At 30 June 2026, the outstanding interest payable associated with the loans is HK$4,600,000 (equivalent to RMB3,995,000) (31 December 2025: HK$2,089,000 (equivalent to approximately RMB1,887,000)).

16 Fair value measurement of financial instruments

(a) Financial assets and liabilities measured at fair value

(i) Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the Reporting Period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

– Level 1 valuations: Fair value measured using only Level 1 inputs, i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

– Level 2 valuations: Fair value measured using Level 2 inputs, i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

– Level 3 valuations: Fair value measured using significant unobservable inputs.

	Fair value measurements at 30 June 2026 categorised into	Fair value measurements at 31 December 2025 categorised into
	Level 1	Level 1
	RMB'000	*RMB'000*
Recurring fair value measurement		
Financial assets		
– Trading Securities	**68**	169

During the six months ended 30 June 2026, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (year ended 31 December 2025: none). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the Reporting Period in which they occur.

(b) Fair values of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 30 June 2026 and 31 December 2025.

17 Material related party transactions

In addition to the balances disclosed elsewhere in this interim financial information, the material related party transactions entered into by the Group during the interim period are set out below.

(a) Transactions with the equity shareholders of the Company and its subsidiary

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Interest expenses on loans from an equity shareholder of the Company	**2,218**	2,053
Interest expenses on convertible bonds	**7,055**	6,578

Details of the convertible bonds and the loans with an equity shareholder of the Company are set out in Notes 14 and 15 respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group have capitalised on their years of experience in the e-commerce business, which has enabled the Group to grasp market opportunities and enter the digital points business segment and industry. In the second half of 2017, the Group formed the Changyou digital point business ecosystem alliance (the "**Changyou Alliance**") with CCB International (Holdings) Limited, China UnionPay Merchant Services Company Limited, Bank of China Group Investment Limited, China Mobile (Hong Kong) Group Limited and China Eastern Airlines Corporation Limited.

With an aim to integrate the digital membership points, resources and strategic advantages of the business partners in the Changyou Alliance, the Group has developed an electronic platform, "Changyou" (the "**Changyou Platform**"). The Group strives to develop the Changyou Platform as an integrative and secured platform, so as to preserve and maximise the value of digital points as virtual assets for the platform users. With the development of blockchain technology, digital assets have received increasing attention from the industry. By leveraging advanced technologies such as blockchain and big data, the Changyou Alliance aims to develop a global financial platform for the issuance, circulation, storage and payment settlement of blockchain tokenisation of assets.

Over the years, the Changyou Platform has increased the number of users, diversified its range of products and services, and optimised its business models and consumption scenarios. As at 30 June 2026, the Changyou Platform's total number of registered users was approximately 309.7 million, representing an increase of approximately 16.5 million newly registered users compared to the number of registered users as at 31 December 2025.

For the Reporting Period, the total transaction volume and revenue of the Changyou Alliance business amounted to approximately RMB109.1 million and approximately RMB77.2 million, respectively.

During the Reporting Period, the Group remained dedicated to deepening its core business in SaaS digital points services, maintaining steady operational progress, and consistently generating significant revenue for the Group. The Changyou Alliance business tapped deeply into traffic resources from top-tier platforms such as WeChat, Alipay, Didi, and iQIYI. By focusing on diversified consumption scenarios, including public transit, the sharing economy, and local lifestyle services, the Group expanded its brand traffic entries and enriched its service ecosystem, meeting diverse user point-redemption needs and boosting user activity and retention.

Aligning closely with China Mobile's core business promotion strategy, the Company steadily expanded its footprint across ecosystem scenarios. Synergy was created in areas such as points exchange and benefits distribution, which supported China Mobile's business expansion while securing stable traffic and revenue streams for the Company.

By the end of 2025, the Group had successfully integrated with two major points systems, laying the foundation for growth in revenue, which helped in the first half of 2026 and will have a positive impact on future revenue. Concurrently, the redemption process was optimized to simplify operations, improve efficiency, and enhance overall user experience.

FINANCIAL REVIEW

Revenue

The Group recorded a consolidated revenue of approximately RMB77.2 million for the six months ended 30 June 2026 (six months ended 30 June 2025: approximately RMB90.4 million), representing a decrease of approximately 14.6% as compared with the corresponding period in 2025. Since costs will be incurred for business partners of Changyou Platform to issue points to their customers, the business partners will implement certain control over the issuance and consumption of points based on their own business conditions in terms of points management. In the context of the unstable economic environment, the revenue decreased was due to the impact of business partners compressing the total amount of points used.

Gross profit

The gross profit of the Group for the six months ended 30 June 2026 amounted to approximately RMB19.8 million (six months ended 30 June 2025: approximately RMB19.6 million). The gross profit margin for the six months ended 30 June 2026 was approximately 25.6% (six months ended 30 June 2025: approximately 21.7%). The Group has optimized its supply chain of Changyou Platform, focusing on concentrated product categories and combining point redemption with other business promotions. This has improved user conversion rates, enhanced the effective use of traffic, and increased the comprehensive profitability of the Group's business.

Other income/(expenses)

The other income of the Group for the six months ended 30 June 2026 amounted to approximately RMB0.2 million (six months ended 30 June 2025: other expenses of approximately RMB0.1 million). A detailed breakdown of the factors contributing to the other (expenses)/income of the Group is disclosed in note 5 to the interim financial information as disclosed in this announcement.

Selling and distribution expenses

The selling and distribution expenses of the Group for the six months ended 30 June 2026 increased to approximately RMB2.0 million (six months ended 30 June 2025: approximately RMB1.9 million), remaining stable as compared with the corresponding period in 2025. The selling and distribution expenses remained low relative to the gross merchandise value of Changyou Alliance business.

Administrative expenses

The Group's administrative expenses for the six months ended 30 June 2026 decreased to approximately RMB9.5 million, as compared to approximately RMB9.8 million for the corresponding period in 2025, representing a decrease of approximately 3.1% as compared with the corresponding period in 2025. During the Reporting Period, the Group continued to strictly control its fixed costs, manpower and administrative expenses. The decrease was mainly attributable to the continuous implementation of certain cost saving measures by the Group.

Research and development costs

The research and development costs of the Group for the six months ended 30 June 2026 decreased to approximately RMB2.7 million (six months ended 30 June 2025: approximately RMB3.4 million), representing a decrease of approximately 21.5% as compared with the corresponding period in 2025, which was mainly attributable to the decrease in development costs of technology infrastructure and staff costs for research and development activities during the six months ended 30 June 2026.

Finance costs

The Group incurred finance costs of approximately RMB1.0 million for the six months ended 30 June 2026 (six months ended 30 June 2025: approximately RMB5.3 million), representing a decrease of approximately 81.6% as compared with the corresponding period in 2025. The finance costs consist of the interest expense on convertible bonds and loans from an equity shareholder of the Company, interest expenses on lease liabilities and net foreign exchange gain, the details of which are disclosed in note 6(a) to the interim financial information as disclosed in this announcement.

Taxation

Income tax expense of RMB1.0 million is provided for the six months ended 30 June 2026 (six months ended 30 June 2025: RMB2.8 million).

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2026, the cash and cash equivalents of the Group amounted to approximately RMB38.9 million (as at 31 December 2025: approximately RMB33.6 million).

As compared with the position as at 31 December 2025, the Group's cash and cash equivalents increased by approximately RMB5.3 million, resulting from the net cash inflow from operating activities of approximately RMB9.7 million for the six months ended 30 June 2026 (year ended 31 December 2025: net cash inflow of approximately RMB32.1 million), the net cash inflow from investing activities of approximately RMB21,000 for the six months ended 30 June 2026 (year ended 31 December 2025: approximately RMB0.4 million) and the net cash outflow from financing activities of approximately RMB4.4 million for the six months ended 30 June 2026 (year ended 31 December 2025: net cash outflow of approximately RMB6.2 million).

As at 30 June 2026, the net current liabilities of the Group amounted to approximately RMB101.7 million (as at 31 December 2025: net current assets of approximately RMB10.9 million). As at 30 June 2026, the current ratio (being total current assets divided by total current liabilities) of the Group was approximately 0.59 (as at 31 December 2025: approximately 1.08).

As at 30 June 2026, the total assets of the Group amounted to approximately RMB149.1 million (as at 31 December 2025: approximately RMB148.8 million) and the total liabilities amounted to approximately RMB308.0 million (as at 31 December 2025: approximately RMB310.2 million). The debt ratio (being total liabilities divided by total assets) as at 30 June 2026 was approximately 2.07 as compared to approximately 2.08 as at 31 December 2025.

As at 30 June 2026, the Group had total borrowings (which consisted of convertible bonds and loans from an equity shareholder of the Company) of approximately RMB177.2 million (as at 31 December 2025: approximately RMB174.7 million). The gearing ratio as at 30 June 2026 (being total borrowings divided by total equity) was -1.12 (as at 31 December 2025: approximately -1.08).

Convertible bonds

In view of the increasing popularity of consumer spending with digital points, the successful experience of the Group in developing the Changyou Platform and the robust performance and growth of the Changyou Platform, the Company issued HK$126.0 million 3.5% convertible bonds (the "**2020 Convertible Bonds**") to CIH, the substantial shareholder of the Company. The net proceeds from the issuance of the 2020 Convertible Bonds was intended to be utilised to expand the Digital Points Business into the Hong Kong and overseas markets by developing an additional new digital point electronic platform with Hong Kong and overseas as the target markets (the "**New International Changyou Platform**").

On 29 July 2020, the Company entered into a subscription agreement with CIH for the issuance of the 2020 Convertible Bonds to CIH. The 2020 Convertible Bonds bear an interest rate of at 3.5% per annum and will mature on the date falling three years after the first issue date of the 2020 Convertible Bonds. For further details of the transaction, please refer to the announcement of the Company dated 29 July 2020 and the circular of the Company dated 17 September 2020.

The issuance of the 2020 Convertible Bonds was completed on 19 October 2020 and matured on 19 October 2023.

On 26 January 2024, the Company entered into a subscription agreement with CIH for the issuance of HK$126.0 million 8% convertible bonds (the "**2024 Convertible Bonds**") to CIH. The 2024 Convertible Bonds bear an interest rate of 8% per annum and will mature on the date falling three years after the issue date of the 2024 Convertible Bonds. For further details of the transaction, please refer to the announcement of the Company dated 26 January 2024 and the circular of the Company dated 15 March 2024. The issuance of 2024 Convertible Bonds was completed on 23 April 2024.

As at 30 June 2026, the actual uses of the net proceeds from the issuance of the 2020 Convertible Bonds were as follows:

Usage	**Original use of the net proceeds from the issuance of the 2020 Convertible Bonds as disclosed in the circular of the Company dated 17 September 2020** *HK$ (million)*	**Proposed change in the allocation of the net proceeds from the issuance of the 2020 Convertible Bonds** *HK$ (million)*	**Revised use of the net proceeds from the issuance of the 2020 Convertible Bonds** *HK$ (million)*	**Actual use of the net proceeds from the issuance of the 2020 Convertible Bonds for the six months ended 30 June 2026** *HK$ (million)*	**Actual use of the net proceeds from the issuance of the 2020 Convertible Bonds** *HK$ (million)*	**Estimated timeline for utilisation of the net proceeds from the issuance of the 2020 Convertible Bonds after reallocation**
To fund the development of the New International Changyou Platform supported by relevant technology infrastructure which enables effective extraction and development of big data samples, creating a precise and extensive database of consumer transactions and consumption behaviour	25.0	(22.0)	3.0	–	2.1	31 December 2026
To fund the set-up of a new team, comprising various departments such as information technology, marketing, and general administration, which is to support the daily operations of the New International Changyou Platform	25.0	(15.0)	10.0	1.2	9.0	31 December 2026
To fund promotional and marketing activities, such as advertising, roadshow promotion, customers bonus rewards, etc., to attract merchants and customers into the New International Changyou Platform and maintain their loyalty and participation	40.0	(40.0)	–	–	–	
As the general working capital of the New International Changyou Platform	10.0	(8.0)	2.0	0.4	1.8	31 December 2026
To fund promotional and marketing activities to attract and maintain customers' loyalty and their participation and consumption of the products and services provided on the existing Changyou Platform in the PRC (the "**Existing PRC Changyou Platform**")	–	10.0	10.0	–	10.0	31 December 2022
To fund the staff costs and staff related expenses and the development of the technology infrastructure for the Existing PRC Changyou Platform	–	60.0	60.0	–	60.0	31 December 2021
To fund the fixed administrative expenses for the Existing PRC Changyou Platform (excluding promotion and marketing expenses and staff costs and staff related expenses)	–	12.0	12.0	–	12.0	31 December 2021
As the general working capital of the Group	24.4	3.0	27.4	–	27.4	30 June 2022
Total	124.4	–	124.4	1.6	122.3	

Property and equipment

As at 30 June 2026, property and equipment were approximately RMB0.8 million (as at 31 December 2025: approximately RMB1.4 million). A detailed breakdown is disclosed in note 10 to the interim financial information as disclosed in this announcement.

Trade and other receivables

Trade and other receivables of the Group as at 30 June 2026 were approximately RMB109.0 million (as at 31 December 2025: approximately RMB122.4 million). A detailed breakdown is disclosed in note 11 to the interim financial information as disclosed in this announcement.

Trade and other payables

Trade and other payables of the Group as at 30 June 2026 were approximately RMB130.5 million (as at 31 December 2025: approximately RMB134.8 million). A detailed breakdown is disclosed in note 13 to the interim financial information as disclosed in this announcement.

Loans from an equity shareholder of the Company

In 2020, PCL and CIH entered into the Facility Agreements, pursuant to which CIH granted loan facilities of HK$111 million to PCL. The loans are unsecured, with an interest of 6.5% per annum and with a term of 3 years or such later date as may be agreed between PCL and CIH in writing. On 2 May 2023, PCL and CIH entered into a supplemental loan facility agreement, pursuant to which both PCL and CIH agreed to extend the term of the loan facility from three years to four years. On 30 May 2024, PCL and CIH entered into a supplemental loan facility agreement, pursuant to which both PCL & CIH agreed to extend the term of the loan period from four years to five years and adjust the interest rate from 6.5% per annum to 8% per annum since 31 May 2024. On 28 July 2025, PCL and CIH entered into a supplemental loan facility agreement, pursuant to which both PCL and CIH agreed to extend the terms of the loan facility from five years to seven years. As at 30 June 2026, the outstanding principal of loans drawn under the Facility Agreements is approximately HK$62.5 million (as at 31 December 2025: approximately HK$62.5 million).

Pledged assets

As at 30 June 2026, the Group did not have any pledged assets (as at 31 December 2025: Nil).

Contingent liabilities

As at 30 June 2026, the Group had no significant contingent liabilities (as at 31 December 2025: Nil).

Capital commitment

As at 30 June 2026, the Group had no contracted capital commitments which were not provided in the interim financial information (as at 31 December 2025: Nil).

Employees and remuneration policy

As at 30 June 2026, the Group had 47 employees. For the six months ended 30 June 2026, total staff costs were approximately RMB9.1 million. During the six months ended 30 June 2026, the Group had provided internal training, external training and correspondence courses for its staff in order to promote self-improvement and enhancement of skills relevant to work. The remuneration of the Directors was determined with reference to their position, responsibilities and experience and prevailing market conditions.

Foreign exchange risk

The business of the Group is mainly located in China and most of the transactions are denominated in Renminbi. Most of the assets and liabilities of the Group are computed in Renminbi. The Group has entered into facility agreements denominated in HKD. During the six months ended 30 June 2026, the Group did not utilise any future contracts, currency borrowings and otherwise to hedge against its foreign exchange risk. However, the Group will continue to monitor the risk exposures and will consider to hedge against material currency risk if required.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES OR JOINT VENTURES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There were no significant investments held nor material acquisitions or disposals of subsidiaries, associates or joint ventures during the six months ended 30 June 2026. There was no plan authorised by the Board for other material investments or additions of capital assets as at the date of this announcement.

PLEDGE OF SHARES BY CONTROLLING SHAREHOLDER

On 28 July 2022, CIH and Poly Platinum Enterprises Limited ("**Poly Platinum**") agreed to vary the terms of the exchangeable bonds issued by CIH on 18 April 2019 ("**Exchangeable Bonds**"), which are exchangeable into the ordinary shares of the Company ("**Shares**"). CIH charged to Poly Platinum its interest in the 2020 Convertible Bonds issued by the Company in favour of CIH on 19 October 2020, which are convertible into Shares. The underlying shares of the 2020 Convertible Bonds are 300,000,000 Shares, currently owned by CIH. The 2020 Convertible Bonds matured on 19 October 2023. On 25 January 2024, CIH and Poly Platinum agreed to, among others, extend the maturity date of the Exchangeable Bonds. On 25 January 2024, CIH charged to Poly Platinum its interest in 60,000,000 Shares. Additionally, upon the completion of the issuance of the 2024 Convertible Bonds, CIH charged its interest in the 2024 Convertible Bonds to Poly Platinum. The underlying Shares of the 2024 Convertible Bonds are 300,000,000 Shares.

DIVIDEND

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

PROSPECTS

The Changyou Platform is a global digital asset circulation platform for the issuance, circulation, payment and settlement of tokenised assets and serves as the gate point for point redemption. Leveraging the smart business environment, the Group takes full advantage of the channel and customer resources of the Changyou Platform to gain insights into the intrinsic needs of enterprises, and build and operate alliance platforms to achieve network synergy and create a win-win situation.

The Group's SaaS digital points services continue to constitute a significant share of the Changyou Platform's business, serving as a foundation and a source of users for the business of the Group. In the second half of 2026, the Group will continuously refine product workflows for the platform of the SaaS digital points services to enhance system stability and operational efficiency. By scaling up partnerships with renowned brands and high-traffic platforms, expanding high-quality scenarios and channels, the Group aims to strive for stable growth in the Group's business.

Building on existing cooperation, the Group's integration with China Mobile will be further deepened across three areas: (i) exporting consolidated digital points resources to China Mobile's platform to drive higher transaction volumes; (ii) leveraging internal supply chain strengths to jointly build specialized marketing platforms with China Mobile; and (iii) increasing promotional efforts for China Mobile's core products to realize shared resources and mutual value creation.

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance practices and procedures with a view to being a transparent and responsible organisation which is open and accountable to the shareholders of the Company. These can be achieved by an effective Board, segregation of duties with clear accountability, sound internal control, appropriate risk assessment procedures and transparency of the Company. The Board will continue to review and improve the corporate governance practices from time to time to ensure the Group is led by an effective Board in order to optimise returns for the shareholders of the Company. During the six months ended 30 June 2026, the Company has complied with the code provisions as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the six months ended 30 June 2026, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the shares of the Company.

COMPLIANCE WITH THE MODEL CODE FOR DIRECTOR'S SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 of the Listing Rules as its own code of conduct regarding Directors' securities transactions. Specific enquiries have been made with all Directors, and all Directors have declared and confirmed that, during the six months ended 30 June 2026, they were in compliance with the Model Code.

REVIEW ON INTERIM RESULTS

The Audit Committee has reviewed the accounting principles, practices and treatments adopted by the Group and the unaudited interim results of the Group for the six months ended 30 June 2026 with the management of the Company.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the websites of the Company at www.changyou-alliance.com and the Stock Exchange at www.hkexnews.hk. The interim report of the Company for the six months ended 30 June 2026 containing all the information required by the Listing Rules will be despatched to the shareholders of the Company and made available on the same websites in due course.

By order of the Board
Changyou International Group Limited
Mr. Cheng Jerome
Chairman

Hong Kong, 26 August 2026

As at the date of this announcement, the executive Directors of the Company are Mr. Cheng Jerome and Mr. Sun Jun; the non-executive Directors of the Company are Ms. Hu Qing and Ms. Liu Jingyan; and the independent non-executive Directors of the Company are Mr. Wong Chi Keung, Mr. Ip Wai Lun William and Mr. Chan Chi Keung Alan.