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Gala Technology Holding Limited
望塵科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2458)

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board of directors (the “**Directors**” and the “**Board**”, respectively) of Gala Technology Holding Limited (the “**Company**”) announces the unaudited interim condensed consolidated results of the Company and its subsidiaries for the six months ended 30 June 2026, together with the comparative figures for the corresponding period of 2025. This announcement, containing the full text of the 2026 interim report of the Company (the “**Interim Report**”), complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**” and the “**Listing Rules**”, respectively) in relation to information to accompany preliminary announcement of interim results.

This interim results announcement is published on the websites of the Company (www.galasports.com) and the Stock Exchange (www.hkexnews.hk). The Interim Report containing all the information required by the Listing Rules will be available on the above websites and despatched to shareholders of the Company (if so requested) in due course.

By Order of the Board
Gala Technology Holding Limited
Jia Xiaodong

Executive Director, Chairman and Chief Executive Officer

Hong Kong, 27 August 2026

As at the date of this announcement, the executive Directors are Mr. Jia Xiaodong (Chairman and Chief Executive Officer), Mr. Huang Xiang and Mr. Li Xin; and the independent non-executive Directors are Mr. Zhan Peixun, Ms. Jiang Xueying and Ms. Chak Hoi Kee Clara.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Jia Xiaodong (*Chairman and Chief Executive Officer*)
Mr. Huang Xiang
Mr. Li Xin

Independent Non-executive Directors

Ms. Jiang Xueying
Mr. Zhan Peixun
Ms. Chak Hoi Kee Clara

COMPANY SECRETARY

Ms. Cheng Lucy

AUTHORISED REPRESENTATIVES

Mr. Li Xin
Ms. Cheng Lucy

AUDIT COMMITTEE

Ms. Jiang Xueying (*Chairlady*)
Mr. Zhan Peixun
Ms. Chak Hoi Kee Clara

REMUNERATION COMMITTEE

Mr. Zhan Peixun (*Chairman*)
Mr. Li Xin
Ms. Jiang Xueying

NOMINATION COMMITTEE

Mr. Jia Xiaodong (*Chairman*)
Ms. Chak Hoi Kee Clara
Mr. Zhan Peixun

ESG OVERSIGHT COMMITTEE

Mr. Jia Xiaodong (*Chairman*)
Ms. Lin Zhendan (*Administrative Management Director*)
Ms. Shao Jingfei (*Human Resources Director*)

INDEPENDENT AUDITOR

Grant Thornton Hong Kong Limited
Certified Public Accountants
Registered Public Interest Entity Auditors

PRINCIPAL BANKS

Bank of China (Hong Kong) Limited
China Merchants Bank Co., Ltd.
Industrial and Commercial Bank of China Limited

LEGAL ADVISERS

As to Hong Kong Law
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COMPANY'S WEBSITE ADDRESS

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SHARE REGISTRARS

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Hong Kong Branch Share Registrar and Transfer Office

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Hong Kong

STOCK CODE

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FINANCIAL PERFORMANCE HIGHLIGHTS

The following is a summary of the results of the Group:

	Six months ended 30 June			
	2026 (Unaudited)		2025 (Unaudited)	
	RMB'000	%	RMB'000	%
Revenue	590,418	100.0	469,681	100.0
Cost of revenue	(274,885)	(46.6)	(232,122)	(49.4)
Gross profit	315,533	53.4	237,559	50.6
Selling and marketing expenses	(151,344)	(25.6)	(68,170)	(14.5)
General and administrative expenses	(26,314)	(4.5)	(22,954)	(4.9)
Research and development expenses	(77,487)	(13.1)	(84,317)	(18.0)
Other losses, net	(430)	(0.1)	(6,677)	(1.4)
Operating profit	59,958	10.1	55,441	11.8
Investment gains, net*	76,787	13.0	605	0.1
Share of results of an associate	1,705	0.3	(225)	0.0
Other income	7,635	1.3	4,597	1.0
Finance costs, net	(1,652)	(0.3)	(2,115)	(0.5)
Profit before income tax	144,433	24.4	58,303	12.4
Income tax expenses	(1,854)	(0.3)	(4,593)	(1.0)
Profit for the period	142,579	24.1	53,710	11.4

* This represents aggregate unrealised and realised gains on financial assets measured at fair value through profit or loss, which are separately presented from other losses, net.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW FOR THE FIRST HALF OF 2026

The essence of sports simulation lies in the reproduction of realism. This is a specialised industry characterised by high barriers to entry: without official IP (intellectual property) licences, it is impossible to resonate with fans; without the technological accumulation in physics simulation and motion capture, it is impossible to recreate the spectacular moments on the field. As a leading sports technology company in China, the Group has continued to focus its capital and efforts on these two core assets over the past six months — consolidating its long-term partnerships with FIFPro, NBA/NBPA, MLB/MLBPA and top-tier European clubs, while deepening the practical application of its proprietary engine and AIGC (Artificial Intelligence Generated Content) technology (Arena 4D) in asset generation, motion capture and real-time data.

In the first half of 2026, the hosting of the FIFA World Cup 2026 (“**World Cup**”) brought substantial organic traffic to the entire sports industry. However, for the management, what warrants closer examination than the traffic dividend is the Group’s systematic operational capabilities accumulated across product categories against the headwind of generally mounting pressure on user acquisition costs across the industry. Football-themed sports games experienced an uplift in organic traffic. The principal core products leveraged World Cup-themed events, national team card packs, and tournament replication gameplay to drive new downloads and average daily active users, resulting in a significant improvement in performance. It is particularly noteworthy that against the backdrop of cyclical fluctuations in sports events and generally rising user acquisition costs across the industry, the Group achieved multiple key metrics against the prevailing trend — the gross billings of *Total Football* (最佳球會) repeatedly hit record highs; the cumulative gross billings of *NBA Rivals* (美職籃巔峰對決) exceeded RMB500 million, with total registered users surpassing 10 million; and the total gross billings of *Clutch Hit Baseball* (棒球大師) for the first half of the year recorded substantial year-on-year growth, with single-month gross billings continuously hitting new highs. This marks the Group’s strategic transformation from a competitive advantage based on a single product to systematic competitive capabilities, laying a solid foundation for deeper penetration into global markets.

The Group’s proprietary Arena 4D technology is becoming an accelerator for its further growth — it not only significantly shortens the production cycle of high-precision player models and complex motions, but also makes the synchronised operation of “real-world matches to in-game content” possible, which will accelerate the development of multi-category products across football, basketball, and baseball, as well as the Group’s global publishing layout.

Although the dividend cycle of sports events is short-lived, the trust of players built through high-quality products, the accumulation of cross-category research and development technologies, and healthy cash flows are the cornerstones that enable the Group to navigate through cycles and expand steadily in the global market.

Football Category

As the Group’s core product, *Total Football* (最佳球會) achieved a synergistic surge in both product competitiveness and commercial value in the first half of 2026. During the World Cup, its core metrics increased substantially and hit record highs continuously, with key data including daily new users, average daily active users, and gross billings frequently outperforming comparable competing products. In terms of the restructuring of the underlying technical architecture, the Group carried out technological upgrades in player AI logic, movement performance, and 3D modelling, thereby achieving another milestone breakthrough in control fluidity and visual performance, and elevating the experience standard of the realistic football game category to a new level. In terms of the development of the IP ecosystem, the Group continued to expand its intellectual property matrix by signing with multiple popular World Cup national teams such as France and Portugal, adding well-known clubs such as Bayer Leverkusen and Ajax, introducing 13 legendary players including Maldini and Klose, and simultaneously completing the contract renewal with Manchester City Football Club. The product’s cultivation and collection experiences were also iteratively upgraded, further consolidating the foundation for long-term operations.

MANAGEMENT DISCUSSION AND ANALYSIS

In terms of brand strategy, *Total Football* (最佳球會) entered into an exclusive World Cup gaming partnership with Migu Video (咪咕視頻). Leveraging Migu Video's live broadcasting resources covering all World Cup matches and its user base of over 100 million viewers, this heavyweight industry event collaboration deeply integrated the virtual and physical scenarios of "match viewing + gaming" and introduced an integrated "watch and play" experience. While watching the live broadcasts of the matches, users were able to unlock interactive gameplay such as in-game predictions and match recreations in real time, effectively achieving precise traffic diversion and efficient conversion from viewing traffic to gaming scenarios. The Group also entered into partnerships with dozens of industry influencers, leading content creators and sports-vertical bloggers, significantly enhancing brand influence and expanding its user base.

The Group's football management simulation game *Football Champion* (最佳 11 人 – 冠軍球會) closely aligns with key timelines of the World Cup. The Group signed popular national teams including Portugal and high profile football superstars, launched the World Cup Legend Cards and enriched gameplay content to deliver a highly authentic World Cup tournament experience for players. This further consolidates its core base of active users and builds strong momentum for subsequent business growth. In terms of overseas expansion, the Group continues to ramp-up its presence in emerging markets such as Vietnam and Thailand to consolidate business foundations and lay solid groundwork for global development.

Basketball Category

In the first half of 2026, *NBA Rivals* (美職籃巔峰對決) recorded a steady growth in operating results, with core metrics, including daily active users, monthly active users and monthly revenue, all reaching record highs. Its cumulative registered users exceeded 10 million, while cumulative gross billings exceeded RMB500 million, further consolidating its leading position in the basketball mobile game category. Operations in the Hong Kong, Macau and Taiwan markets remained stable, with user reputation and retention data continuing to improve, and monthly revenue also reaching a record high.

At the product technology level, the Group continued to optimise the fundamental gaming experience, upgrade its proprietary engine, and enrich game resources and motion packs, resulting in significant improvements in the control experience and visual presentation, which has further highlighted the advantages of its full-stack, domestically self-developed technology. During the Reporting Period, the Group maintained in-depth collaboration with Huawei HarmonyOS and its gaming products became among the first in the industry to be compatible with HiSilicon chips. The Group also introduced innovative technologies including the control-display separation (控顯分離), which effectively enhanced players' gaming experience. The relevant achievements were showcased at Huawei's new product and technology launch event in June 2026.

In terms of IP operation and content development, the Group entered into a contract with NBA legendary superstar Derrick Rose, which received widespread acclaim from players. Meanwhile, adhering to its localised operational strategy, the Group innovatively incorporated regional cultural elements of China by launching a Chengdu-themed court and a brand-new free-camera mode during the Dragon Boat Festival, achieving over 20 million market exposures.

The official nationwide tournament system was continuously optimised. The Group successfully hosted the 2026 Spring Tournament and Summer Tournament, attracting an aggregate of over 40,000 players and generating over 10 million tournament exposures. Meanwhile, the Group continued to deepen the development of its player ecosystem. Relying on diverse game content and a comprehensive creation mechanism, the single-month media exposures across all platforms exceeded 100 million.

Baseball Category

In the first half of 2026, benefiting from the continued momentum of the new season of Major League Baseball (“**MLB**”) and the increased global interest in baseball events brought about by the World Baseball Classic (“**WBC**”), *Clutch Hit Baseball* (棒球大師) under the Group achieved a phased historic growth. Its overall operating indicators improved significantly year-on-year, with aggregate gross billings increasing significantly year-on-year and the number of new users increasing by approximately 36% year-on-year during the Reporting Period. Leveraging the continued recovery in the popularity of the global baseball industry, the product maintained a positive growth trajectory, with each core market achieving differentiated, high-quality growth. In the Taiwan, China market, through refined operational initiatives, including the implementation of content linked to WBC event licensing rights and localised endorsement marketing campaigns in collaboration with Lin Chih-sheng, a renowned player of the Chinese Professional Baseball League, gross billings increased by approximately 194% year-on-year during the Reporting Period, representing an explosive growth. The Korean market reduced its reliance on individual event milestones and achieved sustainable and steady growth through normalised and refined operations. Gross billings for the first half of the year increased by approximately 15 times year-on-year and reached a record high for regional gross billings in June 2026. The mature North American market maintained steady expansion, with gross billings increasing by 24% year-on-year, further consolidating the product’s industry-leading position in the MLB-licensed baseball game category.

On the product front, during the Reporting Period, the Group continued to optimise the core gameplay and user experience, and iteratively launched a number of new player-versus-environment (“**PVE**”) gameplay modes and diversified game content. These initiatives effectively enhanced user engagement and retention, precisely catered to the needs of users in the core markets of North America and Asia, and established a virtuous growth system under which event-driven user acquisition and product retention mutually reinforced each other, thereby laying a solid foundation for the continued penetration of the Group’s products into global markets and the steady growth of its performance.

New Product Exploration *Codename: Fishing Master* (代號：釣魚大師)

The Group’s realistic casual competitive fishing game *Codename: Fishing Master* (代號：釣魚大師) commenced its first round of paid closed beta test with data wipe for a period of 30 days in late January 2026, with an aggregate of approximately 35,000 user participations in the test. The test completed the phased validation of the product’s core gameplay, user retention, monetisation effectiveness and market user acquisition potential. The test data indicated that the fishing game segment demonstrated strong market appeal, and the product demonstrated outstanding performance in time spent online and early-stage engagement.

AIGC (Artificial Intelligence Generated Content) Technology

In the first half of 2026, the Group achieved multiple breakthrough advancements in the field of digital technologies for football matches. Sandbox technology has reconstructed the visual presentation logic for sporting events by integrating event data, player coordinates and three-dimensional scenes to enable visualisation of on-pitch dynamics. Such technology was successfully applied to the live broadcasts of multiple World Cup matches, achieving deployment in real match scenarios. Leveraging multi-camera video footage and AI visual recognition, the Group established comprehensive advanced data production capabilities capable of automatically analysing granular match indicators, including players’ running, positioning and technical movements. Its proprietary video enhancement system enables the real-time overlay of elements such as data charts and movement trajectories onto match footage, transforming quantitative data into intuitive visualised content and enriching application scenarios including live broadcasting and tactical review. On the product front, the Group continued to deploy AI visual derivative technologies to empower game operations. By incorporating a face-generation and face-swapping module into its games, the Group enhanced players’ sense of immersion through personalised avatar customisation, thereby effectively increasing user activity levels and long-term user retention. The Group achieved the two-way reuse of AI visual technologies across its two principal business lines of sporting events and gaming, thereby strengthening the Group’s differentiated competitive advantages in digital content technologies.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL PERFORMANCE

In terms of financial performance, benefiting from the strong performance of the core games *Total Football* (最佳球會) and *NBA Rivals* (美職籃巔峰對決), for the six months ended 30 June 2026, revenue amounted to approximately RMB590 million, representing a year-on-year increase of 25.7%, while gross profit amounted to approximately RMB316 million, representing an increase of 32.8% as compared with the corresponding period last year. Gross profit margin increased from 50.6% to 53.4%.

OUTLOOK FOR THE SECOND HALF OF 2026

Looking ahead to the second half of 2026, the Group's overall sports game business will continuously adhere to the core strategy of "dedicated efforts on product + linkage with sports events + global expansion", and steadily consolidate the fundamentals of its existing sports games. As for products in the sector of football games, *Total Football* (最佳球會) will steadily expand its overseas business footprint, and achieve efficient and balanced input-output through lightweight marketing in emerging regions such as North America, Latin America, and the Middle East; the launch of its PC beta version will herald a breakthrough in its presence in the brand new sector and overseas incremental markets. *Football Champion* (最佳11人 – 冠軍球會) will continuously expand its contracted football star IP and top football club resources while enhancing its marketing efforts, striving for new highs in its active user base and revenue. In terms of the product matrix, on the basis of consolidating the fundamentals of its existing core products, the Group will initiate research and planning for new casual games, with related projects expected to be officially approved and advanced in the second half of the year.

As the Group's core product, *NBA Rivals* (美職籃巔峰對決) will continuously reinforce its core foundation of domestically self-developed technologies, fully leverage the advantages of refined localised operations, and continuously perfect the product operation system centred around content iterations and upgrades, hot events-driven operations, and global expansion. On the product side, we will rely on our independent R&D capabilities to continuously polish the core combat feel and the system of football players' attributes, iterate product gameplay, and further improve the strategic depth, competitive balance, and long-term user retention value of the product, thereby effectively stimulating user engagement and enhancing commercialisation conversion efficiency.

In terms of *Clutch Hit Baseball* (棒球大師) in the field of baseball, we will dedicate our efforts to the global market by revolving around the dual mainlines of polishing the realistic competitive experience and hot events-based marketing. We will continuously iterate core gameplay, strengthen the impact of detailed player attributes on the match situation, highlight the value of differentiated attributes such as fielding and base running, conform to authentic player characteristics, and enhance game strategic depth and player immersion. Meanwhile, riding on the tournament cycles of the MLB playoffs and the World Series, we will introduce pop-up events and themed baseball player cards to continuously maintain the popularity in the sector. Overall, we will consolidate our advantages in the mature North American market, fully tap into the potential of the Asian market, and continuously build highly simulated baseball competitive products.

As the latest product of the Group, *Codename: Fishing Master* (代號：釣魚大師) commenced its second round of paid closed beta test with data wipe by the end of July 2026, so as to verify the optimisation outcomes of the previous version. Its overseas business is expected to launch the first round of paid test in key regions in the second half of the year, establishing a data basis for market retention, payment, marketing efficiency, user preferences and device compatibility across the regions, and we will iterate the product and localised content based on local feedback.

In terms of AI, the Group will continuously perfect the AI technology system for sports events in the second half of the year, enhancing the digital and intelligent production capabilities of tournaments. It will continuously optimise the sandbox system process framework, accumulate standardised templates and operational specifications, and strengthen its capabilities for quick deployment and stable broadcasting across multi-tournament scenarios. By upgrading advanced data algorithms and video enhancement technologies, it will improve the precision and stability of player tracking, event recognition, and trajectory statistics, as well as optimise the live broadcast special effect overlays and real-time rendering performance to adapt to the production pace of professional tournaments. In addition, it will continuously deepen the practical application of AI generative technologies, expand the controllable player action resource library, and achieve high-precision 3D reproduction of player avatars and hairstyles, further elevating the realism and differentiated competitiveness of the products.

In the second half of 2026, the Group will continuously polish the realistic competitive experience and the long-term content system, conduct refined version operations and hotspot marketing by capitalising on major tournament cycles, and continuously stimulate user engagement and commercial growth potential. It will continuously optimise its capabilities in overseas release and localised operation, steadily expand into global emerging markets, and refine the multi-regional growth model. On the basis of solidifying the revenue and user base of mature products, it will continuously explore opportunities in new game categories, advance the reuse of technological capabilities across categories, and achieve the steady iteration, structural optimisation, and long-term growth of its sports gaming business.

FINANCIAL REVIEW

Revenue

The following table sets out a breakdown of the revenue in absolute amounts and as percentages to the total revenue of the Group by publishing models for the periods indicated:

	Six months ended 30 June			
	2026		2025	
	RMB'000	%	RMB'000	%
Self-publishing games	573,357	97.1	469,070	99.9
Third-party publishing games	17,061	2.9	611	0.1
Total	590,418	100	469,681	100

The revenue increased by approximately RMB120.7 million, or 25.7%, from approximately RMB469.7 million for the six months ended 30 June 2025 to approximately RMB590.4 million for the six months ended 30 June 2026, primarily due to:

- (i) *Total Football (最佳球會)*, a core game of the Group, fully capitalised on the World Cup opportunity, with core operating metrics repeatedly reaching record highs. Through our continuous expansion of its copyright matrix, advancement of core technology iterations, upgrade of its brand strategy and deepening of its overseas market presence, the product competitiveness and commercialisation performance of the game both reached new levels; and
- (ii) *NBA Rivals (美職籃巔峰對決)*, a core game of the Group, underwent systemic optimisation of its commercialisation system and active event strategies, significantly strengthening product competitiveness and user engagement, which drove a significant increase in gross billings.

Cost of Revenue

The following table sets forth a breakdown of the cost of revenue in absolute amounts and as percentages to the total cost of revenue of the Group for the period indicated:

	Six months ended 30 June			
	2026		2025	
	RMB'000	%	RMB'000	%
Commission fee to the platforms	177,822	64.7	149,285	64.3
License fees	67,771	24.7	55,986	24.1
Revenue sharing to third-party publishers	75	0.0	494	0.2
Staff costs	17,945	6.5	16,733	7.2
Server usage expenses	6,462	2.4	5,695	2.5
Others*	4,810	1.7	3,929	1.7
Total	274,885	100	232,122	100

* Others mainly consist of other tax expenses.

MANAGEMENT DISCUSSION AND ANALYSIS

Cost of revenue increased by approximately RMB42.8 million, or 18.4%, from approximately RMB232.1 million for the six months ended 30 June 2025 to approximately RMB274.9 million for the six months ended 30 June 2026. This was primarily due to (i) an increase in the corresponding channel commission fees to the platforms as the game business scale and gross billings of the Group expanded; and (ii) an increase in license fees expenditure as we were required to record royalty sharing fees based on the relevant game revenue according to certain IP rights license contractual arrangements of the Group.

Gross Profit and Gross Profit Margin

Gross profit increased by approximately RMB78.0 million, or 32.8%, from approximately RMB237.6 million for the six months ended 30 June 2025 to approximately RMB315.5 million for the six months ended 30 June 2026. The gross profit margin of the Group increased from approximately 50.6% for the six months ended 30 June 2025 to approximately 53.4% for the six months ended 30 June 2026.

The increase in total gross profit was primarily driven by the significant growth in revenue of our core games, *Total Football* (最佳球會) and *NBA Rivals* (美職籃巔峰對決). The improvement in gross profit margin was primarily attributable to the economies of scale resulting from the expansion in gross billings of the core games, and the continuous optimisation of product structure and distribution channel efficiency, leading to a corresponding decrease in the proportion of relevant operating costs to revenue.

Selling and Marketing Expenses

The selling and marketing expenses of the Group increased by approximately RMB83.2 million, or 122.0%, from approximately RMB68.2 million for the six months ended 30 June 2025 to approximately RMB151.3 million for the six months ended 30 June 2026. This increase was primarily because the Group seized the opportunity of the World Cup tournaments to strategically intensify our marketing and promotion and user acquisition efforts for the core game *Total Football* (最佳球會) (including tournament advertisement coverage and centralised collaboration with KOLs). Such promotion was a one-off strategic investment during the tournaments with significant results, which not only drove significant growth in core operating indicators, user activeness and revenue during the Reporting Period, but also accumulated high-quality global user assets and brand value, which is expected to continuously unleash its commercialisation potential in the upcoming quarters.

General and Administrative Expenses

General and administrative expenses increased by approximately RMB3.4 million, or 14.6%, from approximately RMB23.0 million for the six months ended 30 June 2025 to approximately RMB26.3 million for the six months ended 30 June 2026, primarily due to the expansion of general and administrative headcount and the increase in average remuneration per employee.

Research and Development (“R&D”) Expenses

R&D expenses decreased by approximately RMB6.8 million, or 8.1%, from approximately RMB84.3 million for the six months ended 30 June 2025 to approximately RMB77.5 million for the six months ended 30 June 2026, primarily due to: (i) periodic differences in settlement of R&D personnel incentive fees; and (ii) the Group deeply integrating AI tools and self-developed technologies into our R&D pipelines, promoting significant efficiency improvement across multiple segments such as art, code, and testing, which achieved the intensive allocation of R&D resources and improvement in the human efficiency.

Other Losses, Net

Other losses, net primarily consist of net foreign exchange losses. For the six months ended 30 June 2026, the other losses, net amounted to approximately RMB0.4 million, primarily due to the substantially narrowed net foreign exchange losses as a result of the stabilisation of foreign exchange rate fluctuations during the Reporting Period.

Investment Gains, Net

Investment gains, net primarily consist of (i) unrealised gains from changes in fair value of financial assets at fair value through profit or loss (“**FVTPL**”); and (ii) realised gains from the disposal of such financial assets. For the six months ended 30 June 2026, the market value of the equity interest investment portfolios held by the Group increased significantly, recording aggregate realised and unrealised gains of approximately RMB76.8 million.

Other Income

Other income increased by approximately RMB3.0 million, or 66.1%, from approximately RMB4.6 million for the six months ended 30 June 2025 to approximately RMB7.6 million for the six months ended 30 June 2026, primarily due to an increase in government grants and related support funds recognised during the Reporting Period.

Finance Costs, Net

Finance costs, net decreased by approximately RMB0.5 million, or 21.9%, from approximately RMB2.1 million for the six months ended 30 June 2025 to approximately RMB1.7 million for the six months ended 30 June 2026, which was primarily due to the decrease in interest accretion on non-current license fees and royalties payables.

Liquidity, Financial and Capital Resources

The Group's main capital resources are cash flows from operating activities. As of 30 June 2026, the Group's cash and cash equivalents were approximately RMB481.6 million, mainly denominated in Renminbi (“**RMB**”). The cash and cash equivalents comprise cash on hand and demand deposits, which are subject to an insignificant risk of changes in value. The Group generally deposits its excess cash in interest-bearing bank accounts and current accounts.

The net current assets of the Group increased by approximately RMB119.9 million from approximately RMB332.9 million as at 31 December 2025 to approximately RMB452.8 million as at 30 June 2026. As of 30 June 2026, the Group's current ratio (current assets/current liabilities) was approximately 2.4 times (31 December 2025: approximately 2.3 times).

As of 30 June 2026, the Group did not have any bank borrowings (31 December 2025: nil).

The Group's working capital is sufficient to maintain its normal operations. Leveraging healthy cash-generating capabilities, a refined cash management system, and high turnover efficiency under a light-asset model, the Group currently maintains ample and sustainable working capital. External financing instruments serve as a strategic reserve and will provide support for business expansion at an appropriate time.

As of the end of the Reporting Period, the Group had not entered into any comprehensive credit facility agreement with banks. During the Reporting Period, the Group's working capital was primarily satisfied by operating cash inflows. With ample cash reserves, the Group currently has no need for bank financing. Going forward, the Group will apply for bank credit facilities in due course based on business development needs.

MANAGEMENT DISCUSSION AND ANALYSIS

Gearing Ratio

As at 30 June 2026, gearing ratio (defined as debt divided by total equity, where debt includes lease liabilities) was 0.04 times (31 December 2025: 0.06 times).

	As of 30 June 2026 RMB'000	As of 31 December 2025 RMB'000
Lease liabilities		
– Current	6,940	5,321
– Non-current	17,388	20,316
Debt	24,328	25,637
Equity	564,304	428,039
Gearing ratio	0.04 times	0.06 times

Contingent Liabilities

As at 30 June 2026, the Group did not have any contingent liabilities (31 December 2025: nil).

Pledge of Assets

As at 30 June 2026, none of the assets of the Group was pledged (31 December 2025: nil).

Capital Commitments

As at 30 June 2026, the capital commitments of the Group were approximately RMB1.2 million (31 December 2025: approximately RMB3.8 million).

Material Acquisitions and Disposal of Subsidiaries

The Group had neither material acquisition nor disposal of subsidiaries, associates and joint ventures for the six months ended 30 June 2026 (for the six months ended 30 June 2025: nil).

Significant Investments

As at 30 June 2026, details of the significant investment held by the Group are as follows:

Name of investee company	Investment cost (RMB)	Investment type	Principal business of the investee company	Number of shares of the investee company held by the Group as at 30 June 2026	Fair value as at 30 June 2026 (RMB)	Percentage of total assets of the Group as at 30 June 2026
Micron Technology, Inc. ("Micron Technology")	16,316,565	Trading investment	Design, manufacture and sale of computer memory and data storage products	8,003	62,051,633	6.7%

Details of the Significant Investment and its Performance for the Six Months Ended 30 June 2026

According to publicly available information, Micron Technology is a semiconductor company incorporated in the State of Delaware, the United States of America, and is listed on the Nasdaq Stock Market in the United States of America (stock code: MU). Micron Technology is principally engaged in the design, development, manufacture and sale of memory and storage products, including dynamic random-access memory (DRAM), NAND flash memory and solid-state drives (SSD), which are widely used in areas including data centres, artificial intelligence, mobile devices, automotive and industrial applications. During the Reporting Period, the Group purchased an aggregate of 16,723 ordinary shares of Micron Technology and disposed of 8,720 shares thereof. As of 30 June 2026, the Group held 8,003 ordinary shares of Micron Technology, representing approximately 0.001% (less than 0.01%) of the issued shares of Micron Technology. As at 30 June 2026, the fair value of the above investment was approximately RMB62,051,633, representing approximately 6.7% of the total assets of the Group. During the Reporting Period, the Group recorded realised gains of RMB8,407,369 from the disposal of 8,720 shares of Micron Technology. As of 30 June 2026, the Group recorded unrealised gains of approximately RMB45,735,068 from the 8,003 shares of Micron Technology it held.

During the Reporting Period, the purchase and disposal of shares of Micron Technology by the Group did not constitute discloseable transactions under Chapter 14 of the Listing Rules or connected transactions under Chapter 14A of the Listing Rules. On 3 July 2026, the Group further disposed 3,000 shares of Micron Technology. Such disposal, when aggregated with the transactions regarding the disposal of shares of Micron Technology during the Reporting Period, constituted a discloseable transaction under Chapter 14 of the Listing Rules. The Company has fulfilled the applicable disclosure procedures and compliance requirements under the Listing Rules in respect of the relevant transaction. For further details, please refer to the announcement of the Company dated 3 July 2026.

Investment Policies and Objectives

The primary objectives of the Group's securities investments are to improve the utilisation efficiency of idle funds, obtain reasonable returns and achieve long-term steady value appreciation of the Group's idle funds. The investment activities are of an ancillary nature without changing the principal business focus of the Group, and are also isolated from the risks of the principal business. The Group categorises its securities investment activities into long-term holding investments and short-term liquidity management investments based on the nature of investments. Long-term holding investments aim at capital preservation, long-term returns and value growth; while short-term liquidity management investments take cash management and fund deployment as main purposes, with an emphasis on safety and liquidity.

The investment principles of the Group include prudence and stability, risk diversification, exposure control and maintenance of moderate liquidity. The investable asset classes cover ordinary shares and ETFs listed on major global stock exchanges (such as the Stock Exchange, Nasdaq, the New York Stock Exchange, etc.), as well as conservative wealth management products. Investment activities will be allocated based on market conditions, funding arrangements and the risk appetite of the Group, with a view to ensuring the robustness of the overall investment portfolio. The Group believes that the investment in the shares of Micron Technology aligns with the aforementioned investment principles, and helps to improve the utilisation efficiency of idle funds and obtain reasonable investment returns while prudently controlling investment risks and maintaining appropriate liquidity. Such investment is a financial investment made by the Group using its own idle funds, which does not constitute the principal business of the Group, nor will it change the Group's operating strategy which focuses on the development of its core business.

MANAGEMENT DISCUSSION AND ANALYSIS

In respect of the Group's investment in the shares of Micron Technology, when making the relevant investment and continuously evaluating such investment during the Reporting Period, the Group primarily took into account the following factors:

- (i) Micron Technology has a solid industry position and business foundation. Micron Technology is principally engaged in the memory and storage solutions business, and has a strong market position with a well-established business layout in the global memory chip market. Having considered its business scale, industry competitiveness and ability to continue as a going concern, the Group is of the view that it has sound business fundamentals and a foundation for long-term development;
- (ii) The operating and financial conditions of Micron Technology provide certain support for the relevant investment. When making the investment decision, the Group reviewed the operating and financial information publicly disclosed by Micron Technology, and comprehensively considered factors such as its revenue and profitability performance, cash flow and financial position, concluding that its overall operating and financial conditions met the Group's screening criteria for such securities investment;
- (iii) The shares of Micron Technology have good market liquidity. The shares of Micron Technology are listed on the Nasdaq Stock Market with public market quotations and active trading liquidity, which enables the Group to flexibly adjust its positions based on capital market conditions, investment returns and its own funding needs, thereby pursuing potential investment gains while maintaining funding liquidity; and
- (iv) The overall risk-return profile of the relevant investment is in line with the Group's investment objectives. Having comprehensively considered Micron Technology's business and financial condition, industry development prospects, market performance and liquidity of its shares, as well as the potential gains and risks of the relevant investment, the Group is of the view that the overall risk-return profile of the investment in the shares of Micron Technology aligns with the Group's investment objectives of improving the utilisation efficiency of funds and obtaining reasonable investment returns using its own idle funds, and therefore, the relevant investment was made.

The Group's investment in the shares of Micron Technology is a financial securities investment conducted using its own idle funds, primarily aiming to improve the utilisation efficiency of idle funds and strive for reasonable investment returns under the premise of not affecting the Group's normal business operations and funding needs, which is not part of the principal business of the Group, nor does it represent a change in the Group's business focus. The Group will continue to monitor the operating and financial performance of Micron Technology, the development of the semiconductor and memory industries, the capital market environment and its share price performance, and, taking into account the Group's funding needs, investment portfolio allocation and the risk-return profile of the relevant investment, dynamically evaluate the size of its holding in the investment and whether to dispose of it in a timely manner.

Risk Management and Control Measures

The Group has established an investment and treasury risk management and control system, implementing full-process risk monitoring in respect of capital security, investment fluctuation, trading constraints, and the operation of the internal control system to mitigate capital risk, investment losses and compliance risk. The specific measures are as follows:

a) Group-wide cash and fund risk monitoring system

The Group has established a comprehensive cash management risk control system covering the Company and its subsidiaries. The Group implements a monthly bank account reconciliation mechanism covering all bank accounts opened by the Company and its subsidiaries, ensuring that accounting data is true and accurate and that capital flows are traceable, thus preventing the risks of accounting errors, omissions, and the misappropriation of funds. At the same time, the Group implements a weekly dynamic treasury monitoring mechanism, regularly preparing financial reports on the Group's consolidated cash flows, bank balances, and treasury management activities to track overall capital movements in real time and identify liquidity risks in advance.

b) Hierarchical risk monitoring and disposal mechanism for floating losses in investment portfolios

In respect of the volatility risks associated with secondary market and equity investment portfolios, a quantitative risk trigger and disposal mechanism has been established. When the overall floating loss of the investment portfolio reaches 40% of the initial investment cost, the Board authorises the executive Directors or authorised persons to complete a review of the investment fundamentals within 3 working days and submit a special review report to the Board. Upon verification, if the core investment logic has not undergone a fundamental change, the position may be maintained after filing with the finance and compliance departments, so as to avoid permanent losses resulting from short-term irrational market fluctuations.

If the review confirms that the core investment logic of an individual investment target has been fundamentally changed and the floating loss of the target exceeds 50%, a position closing and stop-loss procedure must be initiated within 3 working days, and a written report must be submitted to the Board in order to timely isolate investment risks and control loss boundaries.

c) Rigid risk control of investment trading instruments

The Group implements strict control over investment boundaries, strictly prohibiting the use of leverage, margin financing and securities lending, and any derivative instruments outside the authorised scope to carry out investment activities. All investment funds are operated solely through the Group's own accounts and are strictly isolated from the Group's other operating assets, putting an end to various hidden investment dangers such as the mixed use of funds, leverage amplification, and off-balance sheet risks.

Approval and Supervisory Mechanisms

The Group has established a multi-level, institutionalised approval process and an independent supervisory system covering fund payments, investment transactions, compliance disclosures, regular reporting, as well as internal and external audit supervision, ensuring that all fund operations and investment activities comply with applicable laws and regulations and are subject to controlled, traceable and supervised processes.

a) Hierarchical authorisation and approval mechanism for capital payments

The Group has established a standardised payment authorisation matrix and special approval procedures for fund transfers and cash payments, clarifying the approval authorities, boundaries, and responsibilities for each position level. All capital outflows, transfers, and payment matters must strictly follow a step-by-step approval process. Unauthorised, ultra vires, and out-of-scope capital operations are strictly prohibited to comprehensively standardise the capital usage behaviours of the Company and its subsidiaries.

b) Internal policy approval mechanism for investment transactions

All securities investments, equity investments, and asset disposals must strictly follow the Group's Investment Management Policy (投資管理制度) and its Implementation Rules, and follow the standard internal approval processes. Major investments, high-risk investments, and investments in special targets shall be subject to strict level-by-level review and approval. Investment transactions that have not completed the full approval procedures shall not be executed.

MANAGEMENT DISCUSSION AND ANALYSIS

c) Listing Rules compliance approval and disclosure mechanism

All investments and asset disposal transactions must comply with the Listing Rules and relevant applicable laws and regulations, and where applicable, must obtain prior approval from the Board and fulfil external disclosure procedures. The Company will also assess whether the relevant transactions constitute notifiable transactions and/or connected transactions pursuant to the relevant requirements under Chapters 14 and 14A of the Listing Rules (including the applicable percentage ratios and aggregation requirements), and where applicable, comply with the relevant Board and/or Shareholders' approval, announcement and other compliance requirements. According to the established investment policies of the Group, all major wealth management product investment decisions must be reviewed and approved by the Board or the general meeting.

d) Normalised supervisory and reporting mechanism for financial data and investment portfolios

The Group has established a weekly and monthly dynamic supervisory mechanism, preparing reports on the Group's cash flows, bank balances, and treasury management activities on a weekly basis to monitor the capital status in real time; and completing full bank account reconciliations for the Company and its subsidiaries monthly to ensure the authenticity of accounts and the controllability of funds. The finance department submits a special report on the investment portfolio to the Board on a semi-annual basis, containing details of investment holdings, profit and loss analysis, and risk assessments, for supervision and review by the Board. At the end of each financial year, independent audit institutions issue audit opinions on the compliance and authenticity of the annual investment activities, realising closed-loop supervision over the investment business.

e) Continuous internal and external monitoring over the effectiveness of internal controls

The Group relies on the independent supervision by internal audit, oversight by the Audit Committee, and independent internal control reviews by third parties, to continuously optimise the risk control system. The internal audit function reports independently to the Audit Committee, continuously monitoring the operating effectiveness of controls over financial operations, cash management and compliance controls. The Audit Committee periodically reviews the adequacy of the Group's risk management and internal control systems to ensure that the risk control mechanism matches business development. At the same time, the Group engages an independent internal control consultant every three years to conduct a comprehensive independent review of the overall system, objectively validating the design and operating effectiveness of internal controls, and continuously strengthening the overall risk prevention capabilities.

Save as disclosed above, as of 30 June 2026, the Group did not have any material investments (31 December 2025: nil).

In accordance with Hong Kong Accounting Standard 7 "Statement of Cash Flows", an entity shall present separately the gross amount of major cash inflows and outflows arising from investing and financing activities. During the six months ended 30 June 2026, the Group made gross purchases of financial assets at FVTPL amounting to RMB139,513,000 and received gross proceeds from disposal of financial assets at FVTPL amounting to RMB110,590,000. The aforementioned amounts represent the cumulative total purchase value of wealth management assets and listed equity investment from 1 January 2026 to 30 June 2026. This calculation does not differentiate based on the duration, termination, or maturity of individual wealth management product contracts or individual transactions in listed equity investments, but rather aggregates them collectively. Save for the significant investment disclosed in this report, if calculated separately for each day during the Reporting Period, the principal or interest of each wealth management product contract in effect on any given day did not exceed 5% of the Group's total assets as at 31 December 2025 and 30 June 2026. If calculated separately for each individual listed equity investment during the Reporting Period, the purchase or disposal of each individual listed equity investment also did not exceed 5% of the Group's total assets as at 31 December 2025 and 30 June 2026, nor did the purchase or disposal of any such individual investment exceed 5% under any of the applicable percentage ratios under Rule 14.07 of the Listing Rules.

Future Plans for Material Investments and Capital Assets

Save as disclosed in this report, as at 30 June 2026, the Group did not have any specific plans for material investments or capital assets. The Group may, having regard to market conditions, its funding needs and other relevant factors, continue to consider suitable investment opportunities with a view to enhancing the utilisation efficiency of its idle funds and achieving reasonable investment returns. Such investments are expected to be funded by the Group's internal resources. The Group will comply with the relevant requirements under applicable laws and regulations and the Listing Rules, as appropriate. (31 December 2025: The Group did not have any future plans for material investments or capital assets.)

Treasury Policies and Foreign Exchange Exposure

The Group adheres to a prudent policy of fund and capital management, striving to maintain sufficient liquidity and a healthy capital structure to support the long-term development of its core business. Under the premise of ensuring fund security and high liquidity, the Group also conducts prudent cash management.

The Group's foreign currency transactions are mainly denominated in United States dollar ("US\$"), Euro ("EUR") and HK\$. The majority of assets and liabilities of the Group are denominated in RMB, US\$, EUR and HK\$ and there are no significant assets and liabilities denominated in other currencies. With the expansion of overseas business and the deepening of international copyright collaboration, the Group is subject to a certain degree of foreign exchange risk arising from future commercial transactions and recognised assets and liabilities denominated in foreign currencies.

The Group did not experience any material adverse impact on operations or fund liquidity resulting from currency exchange fluctuations during the six months ended 30 June 2026. During the Reporting Period, the Group did not enter into any foreign exchange hedging contracts (during the six months ended 30 June 2025: same). The management will continue to closely monitor the foreign exchange market trend and the foreign currency exposure, and consider taking appropriate risk control measures when necessary.

Employees and Remuneration Policy

The Group had 714 full-time employees as at 30 June 2026 (31 December 2025: 591 full-time employees), most of whom were based in the PRC. The total staff costs amounted to approximately RMB119.1 million for the six months ended 30 June 2026 (for the six months ended 30 June 2025: RMB116.9 million).

The Group has established comprehensive management systems and processes for recruitment, job promotion, compensation, benefits, resignation, and dismissal. The Group determines competitive compensation packages by adhering to market-based compensation standards and based on the job responsibilities and personal performance of the employees. Employee compensation primarily includes basic salaries, performance-based bonuses, and various benefits. In addition, the Group has adopted a share option scheme and three share award schemes, aiming to establish a long-term incentive mechanism to attract, incentivise, and retain core management and outstanding talent.

The Group's member companies incorporated in Chinese Mainland strictly follow the requirements of relevant laws and regulations in the PRC by contributing to the defined contribution retirement benefit plan and various other social security plans organised by relevant government authorities on a monthly basis, at specified percentages of the salaries of the employees. Meanwhile, the Group attaches great importance to talent development and organisational capability building, continuously providing employees with a diverse training framework, including induction training for new employees, professional business skills training, compliance operation and anti-corruption training, to empower the career development of employees and safeguard the long-term stable operations of the Group.

OTHER INFORMATION

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

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities listed on the Stock Exchange, and neither did they sell any treasury shares.

As at 30 June 2026, there were 32,800 treasury shares held by the Company. The Board is of the view that the Company's repurchasing and holding of Shares as treasury shares provides enhanced flexibility to either dispose of such treasury shares at market price to raise additional capital for the Company, or transfer/allocate them for share grants under equity incentive schemes compliant with Chapter 17 of the Listing Rules, as well as for other purposes permitted under the Listing Rules, Articles of Association and applicable laws of the Cayman Islands.

INTERIM DIVIDEND

The Board, after taking into consideration the capital expenditure required by the Group's plan to develop new games and promote its existing games and new games in overseas markets in 2026, recommended not to declare any interim dividend of the Company for the six months ended 30 June 2026 (for the six months ended 30 June 2025: nil).

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

On 21 July 2026, the Trustee of the Company's 2025 share award scheme (the **"2025 Share Award Scheme"**) (adopted on 19 September 2025) purchased a total of 3,027,264 Shares on the market for an aggregate amount of HK\$17,938,000 in accordance with the rules of the 2025 Share Award Scheme and the terms of the trust deed. Save as disclosed above and disposal of 3,000 shares of Micron Technology by the Group disclosed under sub-section "Details of the Significant Investment and its Performance for the Six Months Ended 30 June 2026", there were no other material and significant events that would affect the Group after 30 June 2026 and up to the date of this report.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code set forth in Appendix C3 to the Listing Rules since the Listing Date. The Company has made specific enquiry with its Directors and all Directors have confirmed that they have complied with the Model Code during the six months ended 30 June 2026.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Directors recognise the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability.

Since the Listing Date, the Company has adopted and applied the code provisions under the Corporate Governance Code as set out in Appendix C1 to the Listing Rules as its own. The Board has reviewed the Company's corporate governance practices and is satisfied that save as disclosed below, the Company has been in compliance with the code provisions set out in Part 2 of the Corporate Governance Code during the Reporting Period.

According to code provision C.2.1 of the Corporate Governance Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Jia Xiaodong ("**Mr. Jia**") is currently the chairman of the Board and the chief executive officer of the Group. Taking into account Mr. Jia's extensive experience in the online game industry and in view of Mr. Jia's role in the overall management of the Group since the Group's founding, the Board believes that it is in the interest of the Group for Mr. Jia to take up both roles for effective management and operations. Therefore, the Directors consider that the deviation from such code provision is appropriate. Notwithstanding such deviation, the Directors are of the view that the Board is able to function efficiently and perform its responsibilities with all key and appropriate issues discussed in a timely manner. In addition, as all major decisions will be made in consultation with the members of the Board, which has three independent non-executive Directors who can provide independent advice on the operations and management of the Group, and the relevant Board committees, the Board takes the view that there is adequate safeguard in place to ensure a sufficient balance of powers within the Board. The Board will also review the structure and composition of the Board and senior management team from time to time in light of the prevailing circumstances to maintain a high standard of corporate governance practices of the Company.

REVIEW OF THE INTERIM RESULTS BY THE AUDIT COMMITTEE

The Company established the Audit Committee on 21 December 2022 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and code provision D.3.3 of the Corporate Governance Code. As at 30 June 2026 and the date of this report, the Audit Committee consists of three members, namely Ms. Jiang Xueying (chairlady of the Audit Committee), Ms. Chak Hoi Kee Clara and Mr. Zhan Peixun, all being independent non-executive Directors.

The primary duties of the Audit Committee include, but are not limited to, (i) reviewing and supervising the financial reporting process and internal control system of the Group, risk management and internal audit; (ii) providing advice and comments to the Board; and (iii) performing other duties and responsibilities as may be assigned by the Board.

The Audit Committee has discussed and reviewed the Group's unaudited interim results for the six months ended 30 June 2026 and this report with the Company's management.

The Group's unaudited interim results for the six months ended 30 June 2026 and this report have been reviewed by the Company's independent auditor, Grant Thornton Hong Kong Limited ("**Grant Thornton**"), in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. The report on review of condensed consolidated interim financial information by Grant Thornton is included in this report.

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

As at 30 June 2026, the interests or short positions of the Directors or chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (the “SFO”)) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange, were as follows:

(a) Interest in Shares

Name of Directors or chief executives	Capacity/Nature of interest	Number of Shares interested ⁽¹⁾	Approximate percentage of interest ⁽⁵⁾
Mr. Jia ⁽²⁾	Interest in controlled corporation/ Corporate interest	31,307,986 (L)	21.93%
Mr. Huang Xiang (“ Mr. Huang ”) ⁽³⁾	Interest in controlled corporation/ Corporate interest	21,837,345 (L)	15.30%
Mr. Li Xin (“ Mr. Li ”) ⁽⁴⁾	Interest in controlled corporation/ Corporate interest	3,654,323 (L)	2.56%

Notes:

- (1) The letter “L” denotes the person’s long position in the Shares.
- (2) These Shares were held directly by Great Shine Holding Limited (“**Great Shine**”). Mr. Jia is the sole shareholder of Great Shine. By virtue of the SFO, Mr. Jia is deemed to be interested in all the Shares held by Great Shine.
- (3) These Shares were held directly by High Triumph Holding Limited (“**High Triumph**”). Mr. Huang is the sole shareholder of High Triumph. By virtue of the SFO, Mr. Huang is deemed to be interested in all the Shares held by High Triumph.
- (4) These Shares were held directly by Neo Honour Holding Limited (“**Neo Honour**”). Mr. Li is the sole shareholder of Neo Honour. By virtue of the SFO, Mr. Li is deemed to be interested in all the Shares held by Neo Honour.
- (5) The calculation is based on a total of 142,742,928 Shares in issue of the Company (including 32,800 treasury shares) as at 30 June 2026.

(b) Interest in shares and underlying shares in associated corporations of the Company

Name of Directors or chief executives	Name of associated corporation	Capacity/Nature of interest	Number of shares interested ⁽¹⁾	Approximate percentage of shareholding interest
Mr. Jia ⁽²⁾	Wangchen Technology	Beneficial owner/Personal interest	2,771,342 (L)	23.53%
		Interest in controlled corporations/Corporate interest	1,780,280 (L)	15.12%
Mr. Huang	Wangchen Technology	Beneficial owner/Personal interest	2,049,475 (L)	17.40%
Mr. Li ⁽³⁾	Wangchen Technology	Beneficial owner/Personal interest	274,444 (L)	2.33%
		Interest in controlled corporations/Corporate interest	118,333 (L)	1.00%

Notes:

- (1) The letter "L" denotes the person's long position in the equity interest.
- (2) Mr. Jia is a general partner of 深圳市望伯納烏科技企業(有限合夥) (Shenzhen Wangbo Nawu Technology Enterprise (Limited Partnership*)) ("**Wangbo Nawu**"), 深圳市望聖西羅科技企業(有限合夥) (Shenzhen Wangsheng Xiluo Technology Enterprise (Limited Partnership*)) ("**Wangsheng Xiluo**"), 深圳市騰望投資中心(有限合夥) (Shenzhen Chengwang Investment Centre (Limited Partnership*)) ("**Chengwang Investment**") and 深圳市望諾坎普科技企業(有限合夥) (Shenzhen Wangnuo Kanpu Technology Enterprise (Limited Partnership*)) ("**Wangnuo Kanpu**"). By virtue of the SFO, Mr. Jia is deemed to be interested in the equity interest in 深圳市望塵科技有限公司(Shenzhen Wangchen Technology Co., Ltd*) ("**Wangchen Technology**") held by Wangbo Nawu, Wangsheng Xiluo, Chengwang Investment and Wangnuo Kanpu.
- (3) Mr. Li is a general partner of Wangsheng Xiluo. By virtue of the SFO, Mr. Li is deemed to be interested in the equity interest in Wangchen Technology held by Wangsheng Xiluo.

Save as disclosed above, as at 30 June 2026, none of the Directors and chief executives of the Company had interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be entered in the register kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

* for identification purpose

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

As at 30 June 2026, so far as the Directors are aware, the following persons (other than the Directors or chief executives of the Company) had or were deemed or taken to have an interest or short position in the Shares or underlying Shares, which would be required to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO:

Interests in the Shares or Underlying Shares

Name of Shareholders	Capacity/Nature of interest	Number of Shares held ⁽¹⁾	Approximate percentage in total number of Shares ⁽⁶⁾
Great Shine ⁽²⁾	Beneficial owner/Personal interest	31,307,986 (L)	21.93%
High Triumph ⁽³⁾	Beneficial owner/Personal interest	21,837,345 (L)	15.30%
BOCI Trustee (Hong Kong) Limited ⁽⁴⁾	Trustee of a trust/Other interest	9,414,844 (L)	6.60%
Garena Ventures ⁽⁵⁾	Beneficial owner/Personal interest	12,000,000 (L)	8.41%
Sea Limited ⁽⁵⁾	Interest in controlled corporation/Corporate interest	12,000,000 (L)	8.41%

Notes:

- (1) The letter “L” denotes a long position in our Shares.
- (2) Great Shine is wholly owned by Mr. Jia. By virtue of the SFO, Mr. Jia is deemed to be interested in the Shares in which Great Shine is interested. Ms. Yuan Qingyun is the spouse of Mr. Jia. By virtue of the SFO, Ms. Yuan Qingyun is deemed to be interested in the Shares in which Mr. Jia is interested.
- (3) High Triumph is wholly owned by Mr. Huang. By virtue of the SFO, Mr. Huang is deemed to be interested in the Shares in which High Triumph is interested. Ms. Zou Wenjing is the spouse of Mr. Huang. By virtue of the SFO, Ms. Zou Wenjing is deemed to be interested in the Shares in which Mr. Huang is interested.
- (4) BOCI Trustee (Hong Kong) Limited (“**BOCI Trustee**”) is a trustee of Gala Share Award Trust. By virtue of the SFO, Gala Share Award Trust is deemed to be interested in the Shares in which BOCI Trustee is interested.
- (5) Garena Ventures Private Limited (“**Garena Ventures**”) is wholly owned by Sea Limited. By virtue of the SFO, Sea Limited is deemed to be interested in the Shares in which Garena Ventures is interested.
- (6) The calculation is based on a total of 142,742,928 Shares in issue of the Company (including 32,800 treasury shares) as at 30 June 2026.

Save as disclosed above, as at 30 June 2026, the Directors were not aware that any other person had any interests or short positions in the Shares and underlying Shares, which were required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or which were required to be entered in the register maintained by the Company under section 336 of the SFO.

CHANGES IN INFORMATION OF DIRECTORS

There was no change in the information of the Directors subsequent to the date of the annual report of the Company for the year ended 31 December 2025 which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

SHARE SCHEMES

The Company has four existing share schemes, namely the Share Option Scheme, the 2023 Share Award Scheme (settled by issuance of new Shares), the Executive Aligned Share Award Scheme (funded by existing Shares) and the 2025 Share Award Scheme (funded by existing Shares). As at the date of this report, the Company has 142,710,128 Shares in issue (excluding treasury shares) (the “**Issued Shares**”). The total number of Shares that may be issued in respect of options and awards granted under all share schemes of the Company during the six months ended 30 June 2026, divided by the weighted average number of Issued Shares (excluding treasury shares) for the six months ended 30 June 2026 was approximately 8.2%.

On 24 October 2023, Futu Trustee Limited was appointed by the Company as trustee for the administration of the 2023 Share Award Scheme in accordance with its rules. On 15 December 2023, Kastle Limited was appointed by the Company as trustee for the administration of the Executive Aligned Share Award Scheme in accordance with its rules. On 19 September 2025, BOCI Trustee (Hong Kong) Limited was appointed by the Company as trustee for the administration of the 2025 Share Award Scheme in accordance with its rules (collectively, the “**Trustees**”). To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, each of the Trustees and their ultimate beneficial owners are third parties independent of the Company and the connected persons of the Company. The Company has entered into a trust deed with each of the Trustees in respect of their respective appointments.

1. Share Option Scheme

The Company adopted the share option scheme (the “**Share Option Scheme**”) on 21 December 2022 (the “**Option Adoption Date**”), pursuant to which the Company may grant options to Eligible Participants to subscribe for Shares subject to the terms and conditions stipulated therein. For details, please refer to the prospectus of the Company dated 30 December 2022.

Pursuant to the terms and conditions of the Share Option Scheme, the maximum number of Shares in respect of which options may be granted under the Share Option Scheme and under any other share schemes of the Company must not in aggregate exceed 10% of the total number of Shares in issue as at 16 January 2023, being the date on which the Shares are listed and from which dealings therein are permitted to take place on the Stock Exchange, being 13,800,000 Shares. No service provider sublimit was set under the Share Option Scheme.

No share options have been granted since the Option Adoption Date. Therefore, no share options were granted or exercised or cancelled or lapsed and no new Shares were issued pursuant to the Share Option Scheme during the Reporting Period, and no share options were outstanding under the Share Option Scheme as at 1 January 2026 and 30 June 2026, respectively. It follows that as at both the respective dates of 1 January 2026 and 30 June 2026, share options in respect of 13,800,000 Shares are available for grant under the Share Option Scheme.

As at the date of this report, a total of 13,800,000 new Shares are available for issue upon exercise of all options granted under the Share Option Scheme, representing approximately 9.7% of the Issued Shares (excluding treasury shares) as at the date of this report.

2. 2023 Share Award Scheme

The Company adopted the 2023 share award scheme (the “**2023 Share Award Scheme**”) on 14 December 2023 (the “**Award Adoption Date**”), pursuant to which, the Company may grant awards (the “**Awards**”) to be settled in new Shares (the “**Award Shares**”) to Selected Participants subject to the terms and conditions stipulated therein. For details, please refer to the circular dated 24 November 2023 of the Company in relation to the adoption of the 2023 Share Award Scheme.

The total number of Shares which may be issued in respect of all options and Awards to be granted under the 2023 Share Award Scheme and other share schemes of the Company, if any (the “**Scheme Mandate Limit**”) shall not exceed 6,900,000 Shares, representing 5% of the total number of Shares in issue as at the Award Adoption Date or the date on which the refreshment of the Scheme Mandate Limit has been approved. No service provider sublimit was set under the 2023 Share Award Scheme.

During the Reporting Period, no Awards have been granted/vested/cancelled, 3,031,897 Awards remained outstanding and yet to be vested and 87,700 Awards lapsed under the 2023 Share Award Scheme. The same number of Shares is available for grant under the 2023 Share Award Scheme as at the respective dates of 1 January 2026 and 30 June 2026, being 2,157,072 Shares. As at the date of this report, 2,157,072 new Shares, representing approximately 1.5% of the Issued Shares (excluding treasury shares) as at the date of this report were available for issue under the Scheme Mandate Limit.

Details of the movements of the Award Shares granted under the 2023 Share Award Scheme during the Reporting Period are as follows:

Grantees by categories	Date of grant	Purchase price	Performance targets (if any)	Vesting period	Number of Awards					Unvested Awards as at 30 June 2026	Closing price of the Shares immediately before the grant during the Reporting Period (HK\$)	Fair value of Awards on the date of grant and the accounting standard and policy adopted	Weighted average closing price of Shares underlying Awards immediately prior to the date of vesting (HK\$)
					Unvested Awards as at 1 January 2026	Granted during the Reporting Period	Vested during the Reporting Period	Lapsed during the Reporting Period	Cancelled during the Reporting Period				
61 employees of the Group	11 July 2024	Nil	Note 1	Note 2	3,119,597	0	0	87,700	0	3,031,897	N/A	N/A, Note 3	N/A

Notes:

- Award Grantees need to achieve their personal performance appraisal goals during each vesting period. These goals and their achievement will be set and evaluated by the Group.
- The Awards granted to the Award Grantees will vest in three instalments within a total of 36 months, with the first vesting of the Awards falling on a date which is 12 months from the relevant date of grant (the “**Award Grant Date**”), and thereafter a waiting period of 12 months between each vesting, in particular: (i) 30% of the Award Shares will vest on the first anniversary of the Award Grant Date; (ii) 30% of the Award Shares will vest on the second anniversary of the Award Grant Date; and (iii) 40% of the Award Shares will vest on the third anniversary of the Award Grant Date.
- For details of the accounting policy for share-based payments, please see Note 3.11 to the annual consolidated financial statements for the year ended 31 December 2025.
- As at the Award Grant Date, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Award Grantees is a Director, a chief executive, a substantial Shareholder of the Company, or any of their associates (as defined under the Listing Rules).
- There are no arrangements in respect of the grant to the Award Grantees on the Award Grant Date to provide financial assistance to the Award Grantees to facilitate the purchase of the Award Shares.
- For further details of the Award Shares granted under the 2023 Share Award Scheme, please refer to the announcement of the Company dated 11 July 2024.

The number of Shares that may be issued in respect of share awards granted under the 2023 Share Award Scheme of the Company during the six months ended 30 June 2026, divided by the weighted average number of Issued Shares (excluding treasury shares) during the six months ended 30 June 2026 was approximately 3.8%.

3. Executive Aligned Share Award Scheme

The Company adopted a share award scheme (the “**Executive Aligned Share Award Scheme**”) on 15 December 2023 (the “**Adoption Date**”), pursuant to which the Company may grant share awards (“**Share Awards**”) to Eligible Persons subject to the terms and conditions stipulated therein. Unless the Board decides to terminate it in accordance with the rules of the Executive Aligned Share Award Scheme, the Executive Aligned Share Award Scheme shall be valid and effective from the Adoption Date until the earlier of (i) the date falling on the fifth anniversary of the Adoption Date; or (ii) the date on which all the unvested awarded shares have been fully vested, delivered, lapsed, forfeited or cancelled (as the case may be). For details, please refer to the announcement of the Company dated 15 December 2023.

As the Executive Aligned Share Award Scheme is solely funded by existing Shares to be purchased by the relevant trustee on the secondary market of the Stock Exchange and does not involve any issue of new Shares, the Executive Aligned Share Award Scheme constitutes a share scheme under Rule 17.01(1)(b) of the Listing Rules, the adoption of which is not subject to shareholders’ approval. The Company shall comply with Rule 17.12 of the Listing Rules, as well as the relevant requirements under the rules of the Executive Aligned Share Award Scheme and Chapter 14A of the Listing Rules in respect of grants of Shares (“**Award Shares**”) to connected persons of the Company, if any.

The total number of Shares to be granted by the Board under the Executive Aligned Share Award Scheme shall not exceed 5% of the issued share capital of the Company as at the Adoption Date (being not more than 6,900,000 Shares, representing approximately 5% of the Issued Shares (excluding the treasury shares)). There is no restriction on the relevant Eligible Persons in relation to (i) the number of Shares that may be awarded under the Executive Aligned Share Award Scheme; and (ii) the amount that is required to be paid to the relevant trustee in respect of the making of such purchases. No service provider sublimit was set under the Executive Aligned Share Award Scheme.

During the Reporting Period, no share awards were granted/vested/cancelled/lapsed, and 51,310 share awards remained outstanding and yet to be vested under the Executive Aligned Share Award Scheme. It follows that, on 1 January 2026 and 30 June 2026, the number of awards available for grant under the Executive Aligned Share Award Scheme was 1,237,700 Shares on each date. As at the date of this report, the number of awards available for grant under the Executive Aligned Share Award Scheme was 1,237,700 Shares, representing approximately 0.9% of the Issued Shares (excluding treasury shares) as at the date of this report.

Details of the movements of the award shares granted under the Executive Aligned Share Award Scheme during the Reporting Period are as follows:

Grantees by categories	Date of grant	Purchase price	Performance target (if any)	Vesting date/ Vesting period	Number of award shares					Unvested award shares as at 30 June 2026	Closing price of the Shares immediately before the grant during the Reporting Period (HK\$)	Fair value of award shares on the date of grant and the accounting standard and policy adopted (Note 3)	Weighted average closing price of Shares underlying award shares immediately prior to the date of vesting (HK\$)
					Unvested award shares as at 1 January 2026	Granted during the Reporting Period	Vested during the Reporting Period	Lapsed during the Reporting Period	Cancelled during the Reporting Period				
Five highest paid employees of 2024 in aggregate	10 December 2024	0	Note 1	10 December 2024	0	0	0	0	0	0	N/A	N/A	N/A
Five highest paid employees of 2025 in aggregate	5 September 2025	0	Note 1	Note 2	51,310	0	0	0	0	51,310	N/A	N/A	N/A

Notes:

- Grantees of Share Awards need to achieve their personal performance appraisal goals. Such goals and their attainment thereof will be set and evaluated by the Group.
- The Award Shares were granted by the Company to 2 Eligible Persons on 5 September 2025 subject to separate vesting arrangements, including: (a) 100% of the Award Shares were vested on 12 December 2025; and (b) the Share Awards granted to the Award Grantee shall vest in three instalments, in particular: (i) 30% of the Award Shares were vested on 12 December 2025; (ii) 30% of the Award Shares shall vest no later than 31 December 2026; and (iii) 40% of the Award Shares shall vest no later than 31 December 2027.
- For details of the accounting policy for share-based payments, please see Note 3.11 to the annual consolidated financial statements for the year ended 31 December 2025.

4. 2025 Share Award Scheme

The Company adopted a share award scheme (the “**2025 Share Award Scheme**”) on 19 September 2025 (the “**2025 Scheme Adoption Date**”), pursuant to which the Company may grant share awards (“**Share Awards**”) to Eligible Grantees subject to the terms and conditions stipulated therein. For details, please refer to the announcement of the Company dated 19 September 2025.

As the 2025 Share Award Scheme is solely funded by existing Shares, whether acquired by the relevant trustee on the secondary market of the Stock Exchange or received from any Shareholder, and does not involve any issue of new Shares, the 2025 Share Award Scheme constitutes a share scheme under Rule 17.01(1)(b) of the Listing Rules, the adoption of which is not subject to Shareholders’ approval. The Company shall comply with Rule 17.12 of the Listing Rules, as well as the relevant requirements under the rules of the 2025 Share Award Scheme and Chapter 14A of the Listing Rules in respect of grants of Shares to connected persons of the Company, if any.

Pursuant to the 2025 Share Award Scheme, the Board shall not make any further grant of Award Shares that would result in the number of Shares granted by the Board under the 2025 Share Award Scheme exceeding nine per cent (9%) of the issued Shares as at the 2025 Scheme Adoption Date, i.e. 12,843,912 Shares. No service provider sublimit was set under the 2025 Share Award Scheme.

No Share Awards had been granted/vested/cancelled/lapsed and there were no outstanding and unvested Share Awards granted under the 2025 Share Award Scheme during the Reporting Period. As at 1 January 2026 and 30 June 2026, the number of Shares available for grant under the 2025 Share Award Scheme was 12,843,912 Shares on each date. It follows that, as at the date of this report, 12,843,912 Shares are available for grant under the 2025 Share Award Scheme, representing approximately 9% of the Issued Shares (excluding treasury shares) as at the date of this report.

The total number of Shares that may be issued in respect of Share Awards granted under all Share Schemes of the Company for the six months ended 30 June 2026, divided by the weighted average number of Issued Shares (excluding treasury shares) for the six months ended 30 June 2026 was approximately 8.2%.

DEFINITION

“Articles of Association”	the amended and restated Articles of Association of the Company, as amended from time to time;
“Audit Committee”	the audit committee of the Board;
“Board”	the board of directors;
“CG Code” or “Corporate Governance Code”	Appendix C1 (Corporate Governance Code) to the Listing Rules;
“China” or “PRC”	the People’s Republic of China;
“Company”	Gala Technology Holding Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 2458);
“Director(s)”	the director(s) of the Company;
“Eligible Grantee(s)”	pursuant to the share award scheme (the “ 2025 Share Award Scheme ”) adopted by the Company on 19 September 2025, the Board may, at its discretion, grant Share Awards to certain eligible grantees (collectively, the “ Eligible Grantee(s) ”), including: (i) employees of the Group, whether part-time or full-time; (ii) any senior management or Director of the Group; and (iii) any person determined by the Board to be eligible to participate in the 2025 Share Award Scheme. The Company may, for the purposes of satisfying the grant of an award, (i) transfer to the Trust the necessary funds and/or (ii) instruct the Trustee to purchase existing Shares on-market or off the market at the prevailing market price or at a price within a specified price range and/or (iii) transfer Shares (including Shares held in treasury) to satisfy awards granted under the 2025 Share Award Scheme;
“Eligible Participant(s)”	pursuant to the share option scheme (the “ Share Option Scheme ”) adopted by the Company on 21 December 2022, the Board may, at its discretion, offer to grant an option to the following persons (collectively, the “Eligible Participants”, and each an “Eligible Participant”) to subscribe for such number of new Shares: (i) any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries; and (ii) any directors (including non-executive directors and independent non-executive directors) of the Company or any of its subsidiaries;
“Eligible Person(s)”	pursuant to the share award scheme adopted by the Company on 15 December 2023 (the “ Executive Aligned Share Award Scheme ”), the Board may, in its discretion, grant share awards to the following persons (collectively, the “ Eligible Person(s) ”): (i) any member of the senior management or director of the Group; and (ii) any person determined by the Board to be eligible to participate in the Executive Aligned Share Award Scheme. The Board may cause to be paid to the relevant trustee or the relevant trust holding company, either before or after the determination of Eligible Persons, such sums as may be necessary for the purpose of purchasing existing Shares from the market as award shares under the Executive Aligned Share Award Scheme and for other purposes set out in its rules and the relevant trust deed;

DEFINITION

“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Date”	16 January 2023, being the date on which the Shares commenced dealings on the Main Board of the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules;
“Prospectus”	the prospectus of the Company dated 30 December 2022;
“Reporting Period”	1 January 2026 to 30 June 2026;
“RMB”	Renminbi, the lawful currency of the PRC;
“Selected Participant(s)”	pursuant to the 2023 Share Award Scheme adopted by the Company on 14 December 2023 (the “ 2023 Share Award Scheme ”), the Board may, at its discretion, grant awards to the following parties (collectively, the “ Selected Participant(s) ”): (i) full-time or part-time employees of the Group (including persons who are granted Awards under the Scheme as an inducement to enter into employment contracts with members of the Group, but excluding core connected persons thereof, such as its Directors and chief executive officer) (the “ Employee Participants ”); or (ii) employees of the holding companies, fellow subsidiaries or associated companies of the Company (the “ Related Entity(ies) ”), but excluding core connected person(s) of the Related Entity(ies), such as chief executive officers and Directors (the “ Related Entity Participants ”);
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time;
“Shareholder(s)”	the holder(s) of the Shares;
“Shares”	ordinary shares of HK\$0.01 each in the share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“treasury shares”	has the meaning ascribed to it under the Listing Rules;
“%”	per cent.

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

To the Board of Directors of Gala Technology Holding Limited

(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated interim financial statements of Gala Technology Holding Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 32 to 52, which comprise the condensed consolidated statement of financial position as of 30 June 2026 and the related condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated interim financial statements, including material accounting policy information. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“**HKAS 34**”) as issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this condensed consolidated interim financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on this condensed consolidated interim financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Grant Thornton Hong Kong Limited

Certified Public Accountants

11th Floor, Lee Garden Two

28 Yun Ping Road

Causeway Bay

Hong Kong SAR

27 August 2026

Lam Yau Hing

Practising Certificate No.: P06622

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 30 June 2026

		For the six months ended 30 June	
	Notes	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue	3	590,418	469,681
Cost of sales		(274,885)	(232,122)
Gross profit		315,533	237,559
Other gains/(losses), net	4	76,357	(6,072)
Other income	5	7,635	4,597
Selling and marketing expenses		(151,344)	(68,170)
General and administrative expenses		(26,314)	(22,954)
Research and development expenses		(77,487)	(84,317)
Finance costs		(1,652)	(2,115)
Share of results of an associate	11	1,705	(225)
Profit before tax	6	144,433	58,303
Income tax expenses	7	(1,854)	(4,593)
Profit for the period		142,579	53,710
Other comprehensive (expense)/income for the period			
Item that will be reclassified to profit or loss:			
Exchange differences on translation from functional currency to presentation currency		(5,719)	637
Total comprehensive income for the period		136,860	54,347
Profit/(Loss) for the period attributable to:			
– Owners of the Company		142,579	53,712
– Non-controlling interests		–	(2)
		142,579	53,710
Total comprehensive income/(expense) attributable to:			
– Owners of the Company		136,860	54,349
– Non-controlling interests		–	(2)
		136,860	54,347
Earnings per share for profit attributable to owners of the Company (RMB per share)	8		
– Basic		1.13	0.40
– Diluted		1.11	0.39

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2026

	Notes	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	10	9,743	8,610
Right-of-use assets	10	22,713	24,131
Intangible assets	10	58,943	75,066
Interest in an associate	11	28,808	27,103
Prepayments, deposits and other receivables	13	6,775	4,740
Financial assets at fair value through other comprehensive income ("FVOCI")	17	4,000	4,000
Deferred tax assets		13,033	6,803
		144,015	150,453
Current assets			
Trade receivables	12	104,512	61,894
Prepayments, deposits and other receivables	13	29,118	21,281
Financial assets at fair value through profit or loss ("FVTPL")	17	133,825	28,115
Contract costs		32,404	17,317
Cash and cash equivalents		481,553	452,499
Current tax recoverable		7	–
		781,419	581,106
Total assets		925,434	731,559

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2026

	Notes	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
EQUITY AND LIABILITIES			
Capital and reserve			
Share capital	16	1,231	1,231
Reserves		563,426	427,161
		564,657	428,392
Non-controlling interests		(353)	(353)
Total equity		564,304	428,039
Non-current liabilities			
Trade payables	14	15,129	35,018
Lease liabilities		17,388	20,316
		32,517	55,334
Current liabilities			
Trade payables	14	113,126	100,480
Other payables and accruals	15	50,779	72,612
Contract liabilities		149,966	61,875
Current tax liabilities		7,802	7,898
Lease liabilities		6,940	5,321
		328,613	248,186
Total liabilities		361,130	303,520
Total equity and liabilities		925,434	731,559
Net current assets		452,806	332,920
Total assets less current liabilities		596,821	483,373

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2026

Attributable to owners of the Company

	Share capital RMB'000	Share premium RMB'000	Shares award reserve RMB'000	Share held under share award schemes RMB'000	Statutory reserves RMB'000	Translation reserve RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Total RMB'000	Non- controlling interests RMB'000	Total equity RMB'000
At 1 January 2026 (Audited)	1,231	132,139	6,541	(62,525)	53,165	(2,020)	57,005	242,856	428,392	(353)	428,039
Profit for the period	-	-	-	-	-	-	-	142,579	142,579	-	142,579
Other comprehensive expense for the period	-	-	-	-	-	(5,719)	-	-	(5,719)	-	(5,719)
Total comprehensive income for the period	-	-	-	-	-	(5,719)	-	142,579	136,860	-	136,860
Recognition of share-based payment expenses (note 19)	-	-	1,476	-	-	-	-	-	1,476	-	1,476
Purchase of shares under share award schemes (note 19)	-	-	-	(2,071)	-	-	-	-	(2,071)	-	(2,071)
At 30 June 2026 (unaudited)	1,231	132,139	8,017	(64,596)	53,165	(7,739)	57,005	385,435	564,657	(353)	564,304
At 1 January 2025 (Audited)	1,186	129,208	3,470	(16,066)	43,745	3,048	57,005	156,390	377,986	(853)	377,133
Profit/(loss) for the period	-	-	-	-	-	-	-	53,712	53,712	(2)	53,710
Other comprehensive income for the period	-	-	-	-	-	637	-	-	637	-	637
Total comprehensive income/(expense) for the period	-	-	-	-	-	637	-	53,712	54,349	(2)	54,347
Issues of new shares	45	-	-	(45)	-	-	-	-	-	-	-
Recognition of share-based payment expenses (note 19)	-	-	3,240	-	-	-	-	-	3,240	-	3,240
Purchase of shares under share award schemes	-	-	-	(9,397)	-	-	-	-	(9,397)	-	(9,397)
Appropriation to statutory reserves	-	-	-	-	39	-	-	(39)	-	-	-
At 30 June 2025 (unaudited)	1,231	129,208	6,710	(25,508)	43,784	3,685	57,005	210,063	426,178	(855)	425,323

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30 June 2026

	Notes	For the six months ended 30 June	
		2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Net cash from operating activities		79,504	112,220
Investing activities			
Purchase of intangible assets		(10,662)	(19,633)
Purchase of financial assets at FVTPL		(139,513)	(108,399)
Proceeds from disposal of financial assets at FVTPL		110,590	68,600
Purchases of property, plant and equipment	10	(2,934)	(660)
Proceeds from disposal of property, plant and equipment		9	7
Payment of loan to other receivables		(2,277)	–
Proceeds from loan to other receivables		3,798	–
<i>Net cash used in investing activities</i>		(40,989)	(60,085)
Financing activities			
Payments for repurchase of shares		(2,071)	(9,397)
Payment for principal elements of lease liabilities		(3,275)	(1,477)
Interest paid		(457)	(307)
<i>Net cash used in financing activities</i>		(5,803)	(11,181)
Net increase in cash and cash equivalents		32,712	40,954
Cash and cash equivalents at beginning of the period		452,499	377,676
Effect of foreign exchange rate changes		(3,658)	637
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		481,553	419,267
Analysis of cash and cash equivalents at end of the period			
Bank deposits		–	155,061
Bank balances		481,553	264,206
		481,553	419,267

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the six months ended 30 June 2026

1. GENERAL INFORMATION

Gala Technology Holding Limited (the “**Company**”; together with its subsidiaries, the “**Group**”) was incorporated in the Cayman Islands on 12 June 2018 as an exempted company with limited liability under the Companies Act (as revised) of the Cayman Islands. The address of the Company’s registered office is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands and the Group’s principal place of business is 15th Floor, Qianhai CTF Finance Tower, 66 Shuniu Street, Nanshan Subdistrict, Qianhai Shenzhen-Hong Kong Cooperation Zone, Shenzhen, the PRC.

The Company’s shares were listed on the Main Board of the Stock Exchange on 16 January 2023 (the “**Listing**”).

The Company is an investment holding company and the Group is principally engaged in the mobile sports game development, publishing and operation mainly in the PRC.

The condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“**HKAS 34**”) “Interim Financial Reporting” as issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange. The interim financial information does not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 December 2025, which have been prepared in accordance with HKFRS Accounting Standards.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The condensed consolidated interim financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

The condensed consolidated interim financial statements for the six months ended 30 June 2026 have been prepared in accordance with the accounting policies adopted in the Group’s annual consolidated financial statements for the year ended 31 December 2025, except for the following amended HKFRS Accounting Standards which are effective as of 1 January 2026.

Amendments to HKFRS 9 and HKFRS 7

Amendments to HKFRS 9 and HKFRS 7

Amendments to HKFRS Accounting Standards

Amendments to the Classification and Measurement of Financial Instruments

Contracts Referencing Nature-dependent Electricity

Annual Improvements to HKFRS Accounting Standards – Volume 11

The adoption of these amended HKFRS Accounting Standards had no material impact on how the results and financial position of the Group for the current and prior periods have been prepared and presented.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the six months ended 30 June 2026

3. REVENUE

The Group's business activities, for which discrete financial statements are available, are regularly reviewed and evaluated by the chief operating decision maker. As a result of this evaluation, the directors of the Company consider that the Group's operations are operated and managed as a single segment, which is mobile sports game development and operation mainly in the PRC (including Chinese Mainland and Hong Kong), and no segment information is presented, accordingly.

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

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Web-based and mobile online game revenue – recognised over time	590,418	469,681

The Group has a large number of game players. No revenue from any individual game player exceeded 10% or more of the Group's revenue during the six months ended 30 June 2026 and 30 June 2025.

4. OTHER GAINS/(LOSSES), NET

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Gain on disposal of property, plant and equipment	6	–
Unrealised fair value gains on financial assets measured at FVTPL	66,012	367
Realised gain on disposal of financial assets measured at FVTPL	10,775	238
Exchange losses, net	(509)	(6,344)
Others	73	(333)
	76,357	(6,072)

5. OTHER INCOME

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Advertising income	1,737	77
Bank interest income	3,560	3,952
Government grants (note)	1,945	316
Others	393	252
	7,635	4,597

Note: The amounts represent the Group's entitlement to subsidies for products development and technological innovation received from the local government grants in the Chinese Mainland. There are no unfulfilled conditions or other contingencies attaching to these grants. The Group did not benefit directly from any other forms of government assistance.

6. PROFIT BEFORE TAX

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Profit for the period has been arrived at after charging:		
Staff costs:		
Directors' emoluments	2,316	1,831
Other staff costs		
Wages, salaries and bonuses	88,678	89,071
Social security costs, housing provident fund and other staff cost	26,605	22,720
Share-based payment expenses	1,476	3,240
Total staff costs	119,075	116,862
Loss on early termination of lease	35	–
Depreciation of property, plant and equipment	1,798	1,423
Depreciation of right-of-use assets	3,349	2,271
Amortisation of intangible assets	27,164	26,134
Total depreciation and amortisation	32,311	29,828

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7. INCOME TAX EXPENSES

The income tax expenses of the Group for the six months ended 30 June 2026 and 2025 is analysed as follows:

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Current tax		
– PRC Enterprise Income Tax (“EIT”)	5,876	762
– Hong Kong profits tax	34	–
Under provision in respect of prior period	2,174	3,991
	8,084	4,753
Deferred income tax	(6,230)	(160)
Income tax expenses	1,854	4,593

(i) Hong Kong Income Tax

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2,000,000 of taxable profits of qualifying group entity will be taxed at 8.25%, and taxable profits above HK\$2,000,000 will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5% for the six months ended 30 June 2026 and 30 June 2025 on the assessable profits.

(ii) PRC EIT

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

Shenzhen Wangchen Technology Co., Ltd was subject to preferential EIT rate of 15% for the six months ended 30 June 2026 (six months ended 30 June 2025: 15%), as which is qualified as an Enterprise Income Tax Reduction for High and New Technology Enterprises.

For the six months ended 30 June 2026, Shenzhen Wangchen Moji Technology Co., Ltd has fulfilled the requirement of the Enterprise Income Tax Reduction for High and New Technology Enterprises and it is subject to preferential EIT tax rate of 15%.

For the six months ended 30 June 2025, Shenzhen Wangchen Moji Technology Co., Ltd has fulfilled the requirement of the “Notice of the State Council on Printing and Distributing Several Policies for Promoting the High-quality Development of the Integrated Circuit Industry and Software Industry in the New Era” (Guo Fa [2020] No. 8) and it is subject to a preferential EIT tax rate of 12.5%.

7. INCOME TAX EXPENSES (CONTINUED)

(iii) Singapore Corporate Income Tax

The Company's subsidiary operates in Singapore is subject to 17% profit tax for the six months ended 30 June 2026 and 2025 on the assessable profits.

No provision for Singapore corporate income tax has been made as the Singapore subsidiary sustained a tax losses during the six months ended 30 June 2026 and 2025.

(iv) PRC Withholding Tax ("WHT")

According to the applicable PRC tax regulations, dividends distributed by a company established in the PRC to a foreign investor with respect to profits derived after 1 January 2008 are generally subject to a 10% WHT. If a foreign investor incorporated in Hong Kong meets the conditions and requirements under the double taxation treaty arrangement entered into between the PRC and Hong Kong, the relevant withholding tax rate will be reduced from 10% to 5%.

During the six months ended 30 June 2026 and 30 June 2025, the Group did not require its subsidiaries in the PRC to distribute their retained earnings to foreign investors, and the Group is able to control the timing of the reversal of the temporary differences arising from the unremitted earnings of these PRC subsidiaries and it is probable that the temporary differences will not reverse in the foreseeable future. Accordingly, no deferred income tax liability on WHT was accrued as at the end of each reporting period.

8. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Profit attributable to the owners of the Company (RMB'000)	142,579	53,712
Weighted average number of ordinary shares in issue (excluded treasury shares) (thousand shares)	126,378	135,639
Basic earnings per share attributable to the owners of the Company (RMB per share)	1.13	0.40

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for the six months ended 30 June 2026

8. EARNINGS PER SHARE (CONTINUED)

(b) Diluted earnings per share

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Profit attributable to the owners of the Company (RMB'000)	142,579	53,712
Weighted average number of ordinary shares in issue (excluded treasury shares) (thousand shares)	126,378	135,639
Effect of dilutive potential ordinary shares for diluted earnings per share	2,548	1,604
Weighted average number of ordinary shares for diluted earnings per share	128,926	137,243
Diluted earnings per share attributable to the owners of the Company (RMB per share)	1.11	0.39

For the six months ended 30 June 2026 and 30 June 2025, the calculation of the diluted earnings per share has taken into account of the issuance of share awards of the Company under the 2023 Share Award Scheme (Note 19(b)) and the Executive Aligned Share Award Scheme (Note 19(c)).

9. DIVIDENDS

The directors of the Company have determined that no dividend will be paid in respect of the six months ended 30 June 2026 (six months ended 30 June 2025: nil).

10. PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND INTANGIBLE ASSETS

During the six months ended 30 June 2026, the Group incurred RMB2,934,000 (six months ended 30 June 2025: RMB660,000) for acquisition of property, plant and equipment.

During the six months ended 30 June 2026, additions of right-of-use assets of RMB2,193,000 (six months ended 30 June 2025: RMB1,164,000) were arisen from entered into three (six months ended 30 June 2025: one) new leases with a period of 1 to 3 (six months ended 30 June 2025: 1) years for office premises.

During the six months ended 30 June 2026, the Group incurred RMB11,041,000 (six months ended 30 June 2025: RMB36,240,000) for acquisition of licenses, which represent the intellectual property rights licenses used in games with a license period of 1 to 5 years.

11. INTEREST IN AN ASSOCIATE

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Cost of investments, unlisted	24,000	24,000
Share of post-acquisition profits and other comprehensive income, net of dividends received	4,808	3,103
	28,808	27,103

Movements in interest in the associate are as follows:

	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
As at 1 January	27,103	25,308
Share of profits/(losses)	1,705	(225)
As at 30 June	28,808	25,083

Details of the Group's associate at the end of the reporting period are as follows:

Name	Paid-in capital	Proportion of ownership interest held by the Group	Principal activity
		As at 30 June 2026 (Unaudited)	As at 31 December 2025 (Audited)
Established in the PRC:			
深圳遠望創星創業投資合夥企業 (有限合夥) (“遠望創星”) (“Yuanwang Chuangxing”)	RMB51,510,000 (31 Dec 2025: RMB51,510,000)	46.59%	46.59% Fund investments

During the year ended 31 December 2024, the Group established “遠望創星” in the Chinese Mainland with two independent third parties, the assets of the investee principally include investments in funds and equity investments in private entities in the Chinese Mainland. The Group's investment in the investee is accounted for as interest in an associate as the directors of the Company consider the Group has significant influences therein.

The Group considers the associate is not individually material nor principally affected the result or net assets of the Group as at 30 June 2026 and 31 December 2025.

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for the six months ended 30 June 2026

12. TRADE RECEIVABLES

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Trade receivables	105,098	62,480
Less: allowance for credit losses	(586)	(586)
Trade receivables, net	104,512	61,894

The credit terms of trade receivables granted by the Group are normally from 30 to 90 days. An aging analysis of trade receivables based on recognition date is as follows:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Up to 3 months	103,697	61,728
More than 3 months	1,401	752
	105,098	62,480

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Prepayment for selling and marketing expenses	16,469	9,054
Other prepayments	7,218	6,705
Deposits	4,082	3,759
Loan receivables	2,491	4,012
Other receivables	5,633	2,491
	35,893	26,021
Analysed as:		
Non-current	6,775	4,740
Current	29,118	21,281
	35,893	26,021

14. TRADE PAYABLES

Trade payables due to third parties primarily consist of the license fee and royalty fee payable to the licensors for the rights to use the intellectual properties of certain sports athletes in the Group's developed games in specified geographic areas for certain period of time.

The credit terms of trade payables granted to the Group are normally from 30 to 90 days. The aging analysis of trade payables based on recognition date is as follows:

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
0–365 days	108,910	96,277
1–2 years	15,142	34,375
Over 2 years	4,203	4,846
	128,255	135,498
Analysed as:		
Non-current	15,129	35,018
Current	113,126	100,480
	128,255	135,498

15. OTHER PAYABLES AND ACCRUALS

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Payable for selling and marketing expenses	6,618	8,390
Payroll and welfare payables	21,995	42,017
Other tax payables	8,036	7,319
Accrued expenses	3,261	4,999
Withholding tax	10,869	9,887
	50,779	72,612

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16. SHARE CAPITAL OF THE COMPANY

	Number of shares	Share capital HK\$'000	Share capital RMB'000
Ordinary shares of the Company of HK\$0.01 each			
Authorised:			
As at 1 January 2025, 31 December 2025 and 30 June 2026	10,000,000,000	100,000	82,570
Issued and fully paid:			
As at 1 January 2025	138,000,000	1,380	1,186
Issuance of new shares pursuant to the 2023 Share Award Scheme (note i)	4,742,928	47	45
As at 31 December 2025 and 30 June 2026	142,742,928	1,427	1,231

Notes:

- (i) In April 2025, the Company issued 4,742,928 new ordinary shares to the trust held for the share award scheme for the purpose of satisfying the grant of 4,742,928 awarded shares pursuant to the 2023 Share Awards Scheme to 61 Employee Participants on 11 July 2024.

Treasury shares

Included in the share capital of the Company as at 30 June 2026 was 32,800 shares (31 December 2025: 32,800) held as treasury shares.

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS/OTHER COMPREHENSIVE INCOME

	Notes	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Financial assets at FVTPL			
Wealth management products	17.1	27,007	14,096
Listed equity investments		106,818	14,019
		133,825	28,115
Financial assets at FVOCI			
Unlisted equity investments	17.2	4,000	4,000

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS/OTHER COMPREHENSIVE INCOME *(CONTINUED)*

17.1 Fair value through profit or loss

The wealth management products as at 30 June 2026 and 31 December 2025 are issued by banks that are non-principal guaranteed with floating return and principally invest in cash and money market instruments with good liquidity.

17.2 Fair value through other comprehensive income (non-recycling)

The Group designated its investment in these unlisted equity investments as FVOCI (non-recycling), as these investments are held for the strategic purpose.

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: fair value measurements are those derived from valuation techniques that inputs for the asset or liability that are not based on observable market data (unobservable inputs).

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS/OTHER COMPREHENSIVE INCOME (CONTINUED)

Fair value of the Group's financial assets that are measured at fair value on a recurring basis (CONTINUED)

The following tables present the Group's financial instruments that are measured at fair value as at 30 June 2026 and 31 December 2025 by fair value hierarchy:

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)				
Financial assets at FVTPL						
Wealth management products	27,007	14,096	Level 2	Price provided by the financial institutions with reference to underlying investment portfolios which have observable quoted price in active markets	N/A	N/A
Listed equity investments	106,818	14,019	Level 1	N/A	N/A	N/A
Financial assets at FVOCI						
Unlisted equity investments	4,000	4,000	Level 3	Net asset value	Adjustments to net asset value for fair value of underlying assets and liabilities	Positive adjustments increase fair value, vice versa

Fair value measurements and valuation processes

The unlisted equity investments had been set up by the Group and other independent third parties in November 2025. The management considered that the underlying investments are in starting process and the fair value of underlying assets and liabilities approximated their carrying amounts as at 30 June 2026.

There were no transfers between Level 1, 2 and 3 during the six months ended 30 June 2026 and year ended 31 December 2025.

18. RELATED PARTY TRANSACTIONS

The following transactions were carried out between the Group and its related parties during the six months ended 30 June 2026 and 2025.

Key management compensation

Key management includes executive directors and senior management. The compensation paid or payable to key management, including directors' remuneration, is shown below:

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Wages, salaries and bonuses	3,365	2,870
Other social security costs and housing benefits and other employee benefits	244	230
Total	3,609	3,100

19. SHARE-BASED COMPENSATION

(a) Share Option Scheme

A share option scheme (the “**Share Option Scheme**”) was adopted by the Company on 21 December 2022 (the “**Option Adoption Date**”), pursuant to which the Company may grant options to eligible participants to subscribe for shares subject to the terms and conditions stipulated therein. For details, please refer to 2025 annual report of the Company.

Since the Option Adoption Date and up to 30 June 2026, no share options were granted under the Share Option Scheme.

(b) 2023 Share Award Scheme

On 14 December 2023, the Company adopted a share award scheme (the “**2023 Share Award Scheme**”), pursuant to which the board of directors of the Company may, in its discretion, grant awards to the eligible participants to be settled in new shares (the “**Awarded Shares**”) subject to the terms and conditions stipulated therein. For details, please refer to 2025 annual report of the Company.

During the six months ended 30 June 2026 and year ended 31 December 2025, no awards were granted under the 2023 Share Award Scheme.

19. SHARE-BASED COMPENSATION (CONTINUED)

(b) 2023 Share Award Scheme (CONTINUED)

The following table discloses movements of the 2023 Share Award Scheme held by the eligible participants during the six months ended 30 June 2026 and year ended 31 December 2025:

	Weighted average grant date fair value HK\$	Number of Awards
At 1 January 2025	–	4,725,030
Vested during the year	3.44	(1,369,181)
Lapsed during the year	3.44	(236,252)
At 31 December 2025 and 1 January 2026	3.44	3,119,597
Lapsed during the period	3.44	(87,700)
Outstanding at 30 June 2026	3.44	3,031,897

(c) Executive Aligned Share Award Scheme

On 15 December 2023, the Company adopted another share award scheme (the “**Executive Aligned Share Award Scheme**”), pursuant to which the board of directors of the Company may, in its discretion grant share awards to eligible persons subject to the terms and conditions stipulated therein. For details, please refer to 2025 annual report of the Company.

During the six months ended 30 June 2026, no share awards were granted under the Executive Aligned Share Award Scheme.

During the year ended 31 December 2025, 2,867,800 share awards had been granted to two eligible participants on 5 September 2025 with vesting periods ranging from 3 months to 3 years from the date of grant. The estimated fair values of the share awards granted was determined based on the market value of the Company’s shares at the grant date.

The following table discloses movements of the Executive Aligned Share Award Scheme held by the eligible participants during the six months ended 30 June 2026 and year ended 31 December 2025:

	Weighted average grant date fair value HK\$	Number of Awards
At 1 January 2025	–	–
Granted during the year	5.99	2,867,800
Vested during the year	5.99	(2,816,490)
At 31 December 2025, 1 January 2026 and 30 June 2026	5.99	51,310

19. SHARE-BASED COMPENSATION (CONTINUED)

(c) Executive Aligned Share Award Scheme (CONTINUED)

Shares held for the Executive Aligned Share Award Scheme

	Number of shares
As at 1 January 2025	3,957,500
Shares repurchased	2,380,000
Shares granted	(2,867,800)
As at 31 December 2025 and 1 January 2026	3,469,700
Shares repurchased	518,400
As at 30 June 2026	3,988,100

During the six months ended 30 June 2026, an aggregate of 518,400 (31 December 2025: 2,380,000) shares of the Company have been purchased from the market by the Company and the trustees of the above scheme for an aggregate consideration, including the relevant transaction costs, of HK\$2,404,000 (equivalent to RMB2,071,000) (31 December 2025: HK\$10,020,000 (equivalent to RMB8,991,000)).

(d) 2025 Share Award Scheme

On 19 September 2025, the Company adopted a share award scheme (the “**2025 Share Award Scheme**”), pursuant to which the board of directors of the Company may, in its discretion, grant share awards to the eligible participants subject to the terms and conditions stipulated therein. For details, please refer to 2025 annual report of the Company.

During the six months ended 30 June 2026 and year ended 31 December 2025, no share awards were granted under the 2025 Share Award Scheme.

Shares held for the 2025 Share Award Scheme

	Number of shares
As at 1 January 2025	–
Shares repurchased	9,414,844
As at 31 December 2025, 1 January 2026 and 30 June 2026	9,414,844

During the year ended 31 December 2025, an aggregate of 9,414,844 shares of the Company have been purchased from the market by the Company and the trustees of the above scheme for an aggregate consideration, including the relevant transaction costs, of HK\$59,577,000 (equivalent to RMB53,461,000).

The Group recognised a total expense of RMB1,476,000 (six months ended 30 June 2025: RMB3,240,000) in relation to the shares granted by the Company under the 2023 Share Award Scheme and Executive Aligned Share Award Scheme during the six months ended 30 June 2026.

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20. NON-CASH TRANSACTIONS

- (i) The considerations of purchase of intangible assets at RMB379,000 (six months ended 30 June 2025: RMB16,710,000) during the six months ended 30 June 2026 and deferred and settled by instalments and included in trade payables at the end of the reporting period. Such considerations are presented as “purchase of intangible assets” under investing activities of the condensed consolidated statement of cash flows.
- (ii) During the six months ended 30 June 2026, the Group entered into certain lease contracts related to office premises, in which additions to right-of-use assets and lease liabilities amounting to RMB2,193,000 (six months ended 30 June 2025: RMB1,164,000) was recognised at the lease commencement date.

21. CAPITAL COMMITMENTS

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Intangible assets	1,242	3,838

22. EVENTS AFTER THE REPORTING PERIOD

On 3 July 2026, the Group disposed of certain financial assets measured at FVTPL, which represents 3,000 shares of Micron Technology Inc. in the open market for an aggregate consideration, including relevant transaction costs, of USD3,022,000 (equivalent to RMB20,526,000), and recognised a gain on disposal of financial assets measured at FVTPL of approximately USD1,913,000 (equivalent to RMB12,996,000).

On 21 July 2026, an aggregate of 3,027,264 shares of the Company have been purchased from the market by the Company and the trustees of the 2025 Share Award Scheme for an aggregate consideration, including the relevant transaction costs, of HK\$17,938,000 (equivalent to RMB15,484,000).