Feiyu Technology International Company Ltd.
飛魚科技國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1022)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

The Board is pleased to announce the unaudited consolidated interim results (the "**Interim Results**") of the Group for the six months ended 30 June 2026 together with comparative figures for the corresponding period in 2025.

FINANCIAL PERFORMANCE HIGHLIGHTS

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

Note:

(1) Please refer to the section headed "Non-IFRSs measures – Adjusted net (loss)/profit attributable to owners of the parent" for definition of adjusted net (loss)/profit attributable to owners of the parent.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

Overview

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

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

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

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

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

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

Outlook for 2026

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

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

Interim Dividend

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

FINANCIAL REVIEW

Operating Information

The Company's Games

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

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

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

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

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

The Company's Players

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

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

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

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

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

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

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

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

First Half of 2026 compared with First Half of 2025

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

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

Revenue

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

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

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

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

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

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

Cost of sales

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

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

Gross profit and gross profit margin

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

Other income and gains

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

Selling and distribution expenses

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

Administrative expenses

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

R&D costs

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

Finance costs

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

Other expenses

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

Income tax expense

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

Loss/Profit for the period

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

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

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

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

Financial Position

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

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

Liquidity and Financial Resources

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

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

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

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

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

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

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

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

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

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

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

(A) Straight Bonds

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

Notes:

1. The Group's investment in straight bonds has been accounted for as debt investments at fair value through other comprehensive income. The fair value of the straight bonds was estimated using a discounted cash flow valuation model based on the assumptions that were supported by observable market inputs. Please refer to note 12 to the financial statements for details of the investment in straight bonds.

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

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

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

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

(B) Unlisted Equity Investments

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

Notes:

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

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

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

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

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

(C) Unlisted Debt Investments

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

Notes:

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

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

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

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

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

(D) Listed Equity Investment

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

Notes:

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

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

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

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

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

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

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

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

Gearing ratio

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

Capital expenditures

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

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

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

Pledge of Assets

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

Contingent liabilities and guarantees

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

EMPLOYEES AND REMUNERATION POLICY

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

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

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

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

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2026

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2026

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

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

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

1. BASIS OF PREPARATION

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

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

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

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

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

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

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

3. OPERATING SEGMENT INFORMATION

Information about geographical areas

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

Information about major customers

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

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

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

Revenue from contracts with customers

(a) Disaggregated revenue information

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

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

5. (LOSS)/PROFIT BEFORE TAX

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

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

6. INCOME TAX EXPENSE

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

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

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

7. DIVIDEND

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

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

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

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

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

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

9. GOODWILL

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

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

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

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

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

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

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

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

11. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

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

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

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

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

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

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

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

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

OTHER INFORMATION AND CORPORATE GOVERNANCE HIGHLIGHTS

Purchase, Sale or Redemption of the Company's Listed Securities

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

Audit Committee

The Company established the Audit Committee on 17 November 2014 with written terms of reference adopted in compliance with the CG Code and the written terms of reference were updated on 28 December 2015, 27 December 2018 and 26 March 2024 respectively. As at the date of this announcement, the Audit Committee comprises Ms. LIU Qianli, Mr. LAI Xiaoling and Mr. CAO Xi, all of whom are independent non-executive Directors.

The Audit Committee, together with the Board and the auditors of the Company, has reviewed the accounting standards and practices adopted by the Group and the unaudited consolidated interim results of the Company for the six months ended 30 June 2026.

Compliance with the CG Code

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

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

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

Compliance with Model Code

The Company has adopted the Model Code for securities transactions by the Directors. Having made specific enquiries with all the Directors, each of the Directors has confirmed that he/she has complied with the Model Code throughout the six months ended 30 June 2026.

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

Publication of the Interim Results Announcement and 2026 Interim Report

This interim results announcement is published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.feiyuhk.com), and the 2026 interim report containing all the information required by the Listing Rules will be published on the abovementioned websites in due course.

APPRECIATION

The Board would like to express its sincere gratitude to its Shareholders, the management team, employees, business partners and customers for their continued support and contribution.

GLOSSARY

"2024 Restricted Share Unit Scheme"	the restricted share unit scheme adopted by the Shareholders on 24 May 2024
"2024 Share Option Scheme"	the share option scheme adopted by the Shareholders on 24 May 2024
"ARPPU"	average revenue per paying user, calculated by dividing monthly average revenue from the sale of virtual items and premium features during a certain period by the number of average MPUs during the same period
"Audit Committee"	the audit committee of the Board
"Board"	the board of Directors
"Cayman Islands"	the Cayman Islands
"CG Code"	Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Chairman"	the chairman of the Board

"Chief Executive Officer"	the chief executive officer of the Company
"China" or "PRC" or "Mainland China"	the People's Republic of China excluding, for the purpose of this announcement, Hong Kong Special Administrative Region of the People's Republic of China, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"Company" or "Feiyu"	Feiyu Technology International Company Ltd., an exempted company incorporated in the Cayman Islands with limited liability on 6 March 2014
"Director(s)"	director(s) of the Company
"Group" or "the Group"	the Company, its subsidiaries and the PRC Operating Entities
"HK$", "Hong Kong dollars" or "HKD"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the People's Republic of China
"IAS(s)"	International Accounting Standards
"IASB"	International Accounting Standard Board
"IFRS(s)"	International Financial Reporting Standards, amendments and interpretations issued by the IASB
"IP"	intellectual properties
"Land"	the land located in Huli District, Xiamen, the PRC as disclosed in the Company's announcement dated 21 July 2016
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
"MAUs"	monthly active users, which is the number of players who logged into a particular game in the relevant calendar month. Under this metric, a player who logged into two different games in the same month is counted as two MAUs. Similarly, a player who plays the same game on two different publishing platforms in a month would be counted as two MAUs. Average MAUs for a particular period is the average of the MAUs in each month during that period

"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers, as set out in Appendix C3 to the Listing Rules
"MPUs"	monthly paying users, which is the number of paying players in the relevant calendar month. Average MPUs for a particular period is the average of the MPUs in each month during that period
"PC"	personal computer
"PRC Operating Entities"	Xiamen Guanghuan and its subsidiaries and "PRC Operating Entity" means any one of them
"R&D"	research and development
"Renminbi" or "RMB"	Renminbi yuan, the lawful currency of the PRC
"RPG"	role-playing games, which involve a large number of players who interact with each other in an evolving fictional world. Each player adopts the role of one or more "characters" who develop specific skill sets (such as melee combat or casting magic spells) and control the character's actions. There are unlimited possible game scenarios where the evolution of the game world is determined by the actions of the players, and the storyline continuously evolves even while the players are offline and away from the games
"RSU(s)"	restricted share units or any one of them
"Share(s)"	ordinary share(s) in the share capital of the Company with nominal value of US$0.0000001 each
"Shareholder(s)"	holder(s) of Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary" or "subsidiaries"	has the meaning ascribed thereto in section 15 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong)
"US$", "United States Dollars" or "USD"	United States dollars, the lawful currency of the United States of America

"Xiamen Guanghuan"	Xiamen Guanghuan Information Technology Co., Ltd. (廈門光環信息科技有限公司), a limited company incorporated under the laws of the PRC on 12 January 2009, being a company which the Group does not own but can exercise and maintain control over, and to consolidate its financial results as a wholly-owned subsidiary of the Company by virtue of certain contractual arrangements

By Order of the Board
Feiyu Technology International Company Ltd.
YAO Jianjun
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 28 August 2026

As at the date of this announcement, the Board comprises Messrs. YAO Jianjun, CHEN Jianyu, BI Lin and LIN Zhibin, as executive Directors; and Ms. LIU Qianli and Messrs. LAI Xiaoling and CAO Xi, as independent non-executive Directors.