儒意控股
RUYI HOLDINGS

CHINA RUYI HOLDINGS LIMITED
中國儒意控股有限公司

(a company incorporated in Bermuda with limited liability)

(Stock Code: 136)

2026
Interim Report

CONTENTS

Corporate Information

DIRECTORS

Executive Directors

Mr. Ke Liming *(Chairman)*
Mr. Zhang Qiang
Mr. Gong Qiao *(appointed on 25 June 2026)*

Non-executive Director

Mr. Yang Ming

Independent Non-executive Directors

Mr. Chau Shing Yim, David
Mr. Nie Zhixin
Mr. Chen Haiquan
Professor Shi Zhuomin

AUDIT COMMITTEE

Mr. Chau Shing Yim, David *(Chairman)*
Mr. Nie Zhixin
Mr. Chen Haiquan

REMUNERATION COMMITTEE

Mr. Chau Shing Yim, David *(Chairman)*
Mr. Ke Liming
Mr. Nie Zhixin

NOMINATION COMMITTEE

Mr. Ke Liming *(Chairman)*
Mr. Nie Zhixin
Mr. Chen Haiquan

COMPANY SECRETARY

Mr. Fong Kar Chun, Jimmy

REGISTERED OFFICE

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Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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PRINCIPAL PLACE OF BUSINESS IN THE PRC

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Laijin Culture Creative Industrial Park
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Beijing
The People's Republic of China

SHARE REGISTRARS

Bermuda

Conyers Corporate Services (Bermuda) Limited
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Bermuda

Hong Kong

Tricor Investor Services Limited
17/F, Far East Finance Centre
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Hong Kong

PRINCIPAL BANKERS

Industrial and Commercial Bank of China (Asia) Limited
Bank of Hangzhou Co., Ltd.
Agricultural Bank of China Limited

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor

WEBSITE ADDRESS

http://www.ryholdings.com

DATE OF REPORT

28 August 2026

Management Discussion and Analysis

Dear Shareholders,

I am pleased to present the results of China Ruyi Holdings Limited (the "**Company**" or "**China Ruyi**"), its subsidiaries and its controlled entities (the "**Group**") for the six months ended 30 June 2026 (the "**Reporting Period**").

FINANCIAL PERFORMANCE SUMMARY

The Group recorded a profit attributable to equity holders of the Company of approximately RMB837 million for the six months ended 30 June 2026, which decreased by approximately RMB398 million as compared to a profit attributable to equity holders of the Company of approximately RMB1,235 million for the six months ended 30 June 2025. The basic and diluted earnings per share were RMB5 cents and RMB4.98 cents for the six months ended 30 June 2026 respectively as compared to the basic and diluted earnings per share of RMB8.14 cents and RMB8.12 cents respectively for the six months ended 30 June 2025.

The Group's turnover decreased to approximately RMB1,183 million during the six months ended 30 June 2026, as compared to the turnover of approximately RMB2,206 million during the six months ended 30 June 2025. Its revenue from content production, online streaming and online gaming businesses, among others, was approximately RMB1,166 million for the six months ended 30 June 2026, and was approximately RMB17 million for other businesses.

For the six months ended 30 June 2026, the adjusted net profit of the Company was approximately RMB952 million, while the adjusted net profit for the six months ended 30 June 2025 was approximately RMB1,303 million.

BUSINESS REVIEW AND OUTLOOK

Business Review and Outlook

In the first half of 2026, the Group remained firmly anchored to its medium- and long-term development strategy, with a sharp focus on enhancing quality and operational efficiency while consolidating the foundation for sustainable business operations. For the six months ended 30 June 2026, the Group achieved revenue of RMB1.183 billion, representing a decrease of 46.37% as compared with the same period of the last year; net profit reached RMB831 million, representing a decrease of 32.34% as compared with the same period of the last year.

I. Content production business

1. *Film investment, production, and distribution business*

In the first half of 2026, the national box office reached RMB17.35 billion, representing a year-on-year decrease of 40.6%, and cinema attendance reached 422 million, representing a year-on-year decrease of 34.2%, as the industry faced challenges arising from a temporary shortage of quality film supply and shifting audience viewing preferences. Against this market backdrop, the Group continued to deepen its commitment to premium content creation, steadily advancing a differentiated content portfolio and enhancing the operational quality and risk resilience of its content production segment.

During the Reporting Period, a number of films co-produced by the Group delivered outstanding market performance, achieving both commercial success and critical acclaim. During the Spring Festival period, the national comedy film "Pegasus 3" (《飛馳人生3》) grossed RMB4.42 billion, topping the seasonal box-office charts; the critically acclaimed realistic suspense thriller "Scare Out" (《驚蟄無聲》) continued to build momentum through word-of-mouth, ranking third in the season with a gross of RMB1.365 billion; and the leading family animated IP film "Boonie Bears: The Hidden Protector" (《熊出沒•年年有熊》) continued to lead the family-viewing segment.

During the Labour Day holiday period, the Group's co-produced crime thriller "Cold War 1994" (《寒戰1994》) received positive market feedback, supported by its hard-hitting police-and-crime and power-struggle theme and a top-tier cast and creative team. During the summer holiday period, the Group-produced animated film "All Wishes Come True!" (《八仙!》) grossed RMB100 million at the box office during its preview screenings, with a Douban opening rating as high as 8.3 and widespread acclaim from the market. "Once Upon A Time in the Middle East" (《歡迎來龍餐館》) was released nationwide on 11 August and went on to top the daily box office during the summer holiday period for consecutive days. Within a short period after its release, its cumulative box office exceeded RMB1.7 billion, while it also received strong ratings on the Maoyan and Taopiaopiao ticketing platforms, achieving both box office success and strong audience reception.

Looking ahead, the Group will continue to adhere to a content investment structure of "head projects driving + multi-project diversification", effectively diversifying risks while enhancing single-project returns. At present, the Group's cinema release pipeline includes "The Wild Tales" (《蠻荒禁地》), "Cold War 1995" (《寒戰1995》), "Blossom of a Changed Mind" (《轉念花開》), "THE WANDERING EARTH III (Part 1 & 2)" (《流浪地球3(上、下)》), "MAD KING" (《狠家伙》), and "GHOST AT NO.29" (《旺鋪開業指南》), among others. The Group has always remained committed to high-quality content as its core and is dedicated to creating film and television works that combine strong market appeal, artistic value and cultural depth, while actively promoting the overseas dissemination of Chinese content.

2. *Investment, production and distribution of television dramas*

The Company focuses on core segments of film and television content production, continuously enhancing end-to-end drama production capabilities, with emphasis on premium IP development and high-quality content production, actively collaborating with domestic streaming platforms while expanding overseas markets.

During the Reporting Period, several drama series produced and led by the Group were successfully launched and broadcast, achieving strong market performance. Among them, “Light to the Night” (《黑夜告白》), a suspense crime drama starred by Pan Yueming and Wang Hedi, and “Dazzling” (《耀眼》), an urban romance drama starred by Guan Xiaotong and Li Yunrui, were successively released on major streaming platforms, receiving favorable user reviews and strong market traffic.

In terms of project pipeline, the drama series produced and led by the Group cover a broad range of themes and genres, encompassing key genres including suspense, realism, Chinese historical costume and martial arts, and urban romance. Its projects in the realism genre include “Her Brilliant Journey” (《一路燦爛》), an urban realism drama starred by Yan Ni and Ren Suxi; “Prosecutor and Boy” (《檢察官與少年》), starred by Zhang Xiaofei and Yu Jiacheng and focusing on legal education for young people; and “Jia You Qi Lang” (《家有七郎》), a contemporary realism drama starred by Chen Baoguo, Jing Boran and Gao Yuanyuan. The Chinese historical costume and martial arts pipeline includes “All Hail my Supreme Sec” (《萬古最強宗》), a Chinese historical costume drama starred by Peng Yuchang and Wan Peng; and “Now or Never” (《一點浩然氣》), a new-school martial arts drama. In the urban romance genre, the Group has also developed “Touch” (《非正式浪漫》), an urban light-hearted comedy starred by Cai Wenjing.

The aforesaid upcoming projects have entered into in-depth partnerships with a number of mainstream streaming platforms, and are scheduled to be rolled out in phases over the coming periods. Such extensive and diversified portfolio of quality dramas is expected to underpin the Group’s overall financial performance with long-term, stable revenue streams and sustainable growth drivers.

II. Online streaming business: AI-empowered content production to build a differentiated streaming platform

1. *Business model upgrade: synergistic development of licensed acquisitions and in-house productions building a differentiated content competitive edge*

Data from Ocean Engine indicated that the compound growth rate of AI short drama users reached approximately 12% in 2025. Leveraging the growth opportunities in the micro-short drama industry, Pumpkin Films has pursued a dual-track strategy encompassing licensed content acquisitions and member-exclusive in-house productions. While continuing to introduce quality films and leading new releases, the Company is building a diverse short drama portfolio spanning fantasy, historical and animated genres. Flagship AI-produced projects such as “Strange, Ah” (《怪啊》) and “The Pirate Queen” (《海盜女王》) have already entered the production phase and are expected to be launched in the second half of the year, establishing a differentiated growth model distinct from traditional long-form video platforms.

2. *Collaboration between the VOX System and the Multimodal Middle Platform to build a closed-loop production chain*

The Group has been continuously advancing its technological research and development as well as the construction of its computing infrastructure, culminating in the formation of a Multimodal AI middleware anchored by the VOX Intelligent Creation System as the tool layer and underpinned by four core modules, namely Linggou, Jingce, Changyu and Shuyan.

The VOX system, constituting the tool layer of the platform, incorporates a standardised large-model workflow and features capabilities encompassing facial expression transfer and motion transfer. These functionalities serve to augment character rendering, frame-to-frame coherence and generative consistency, whilst mitigating the need for repetitive manual adjustments and wastage of computational resources. Internally, the system underpins the Group's self-produced projects; externally, it is accessible to industry partners, establishing a foundational framework for co-production arrangements, technical service offerings and other forms of strategic collaboration.

Leveraging a unified framework encompassing task orchestration, material management and model invocation control, the Multimodal AI middleware facilitates critical operational stages spanning script creation, artistic design, content production, post-rendering, marketing effectiveness projection and smart distribution. The AI middleware has demonstrably bolstered content production efficiency, curtailed production outlays, expedited delivery timelines and uplifted marketing conversion performance.

3. *AI-driven content enhancement and efficiency gains reinforce long-term competitive edge in streaming*

During the first half of 2026, Pumpkin Films adhered to the core strategy of "AI-empowered content production", which effectively lowered content supply costs and diversified its revenue sources, thus laying the groundwork for the Group's sustainable and stable business growth in the long run. Going forward, Pumpkin Films will place greater emphasis on improving workflow reusability, model coordination and the efficiency of computing resource deployment. In line with external collaboration requirements, it will also explore commercialisation opportunities spanning co-production arrangements, technical service provisions and platform capability out-licensing.

III. Jingxiu Games: consolidating the foundation through integrated R&D and publishing, driving growth with global IP ecosystem and AI technology

In the first half of 2026, the Group continued to advance its strategic transformation from a pure game publisher to a dual-driven model of "R&D + Publishing," with sustained investments in proprietary R&D, product pipeline development, and global IP partnerships. During the Reporting Period, the R&D, testing, and launch preparation of key products progressed as planned, as detailed below:

(i) Core product planning and R&D progress

In the first half of 2026, the Group continued to optimize its product pipeline planning and advance the R&D of key self-developed and collaborative projects.

Key Collaborative and Self-Developed Projects: The Group's co-developed title with EA, "FC Theater" (《FC夢劇場》), completed multiple rounds of testing during the Reporting Period and is expected to be officially launched by the end of 2026; "Red Alert: Glory" (《紅警:榮耀》), also co-developed with EA, completed its first formal testing round and is expected to be officially launched in 2027; the classic IP title "Heroes of Might and Magic: War of the Lords" (《魔法門之英雄無敵》), co-developed with Ubisoft, completed phase-based testing. The Group's self-developed strategy game targeting the global market, codenamed "Project Code LORD" (《代號LORD》), completed two rounds of overseas testing during the Reporting Period and is expected to be launched globally in early 2027. The above-mentioned projects are progressively entering subsequent phases of R&D, testing, and launch preparation, and are expected to begin generating revenue contributions gradually from the second half of 2026 and 2027 onwards.

Long-term Operation of Evergreen Titles: The Group's long-standing classic IP strategy mobile game "Red Alert Online" (《紅警OL》), now in its eighth year of operation, demonstrated overall stable performance during the Reporting Period, consistently validating the Group's refined operational capabilities in the evergreen game segment.

Pipeline Product Licenses and Launch Preparation: Currently, the Group's licensed title "Ragnarok Abyss" (《仙境傳說:初心》) has obtained its version number (license) and is in the final optimization stage; key pipeline products including "Sanguo:Wartide" (《三國:戰策長河》) (provisional title) and "CookieRun: Tower of Adventures" (《餅乾人聯盟》) (provisional title), co-developed with renowned South Korean developer Devsisters, have both entered the version number submission review process, with related launch and operational preparations fully in place. In addition, the renowned IP mobile game "JoJo's Bizarre Adventure: Golden Praise" (《喬喬的奇妙冒險:黃金讚歌》) jointly published by the Group and Huai Hudong, a subsidiary of Ruyi Films, is steadily progressing through all launch preparation work and is expected to be officially launched in the first half of 2027.

(ii) Investment layout and expansion into new fields

Investment and agency product lines: Subsequent to the Reporting Period, "NBA GO" (《美職籃:瞬息》) (tentative name), a game invested in and agented by the Group, commenced testing in the third quarter of 2026 with favourable market reception; "Project: San Chuan" (《代號:三川》), a large-scale open-world project invested in and agented by the Group, is expected to undergo its first public showcase and initial testing in September 2026, and is planned for official launch in 2027; "Project Code XY" (《代號XY》), an investment project, is expected to commence testing in the second half of 2026 and achieve commercial launch in 2027; "Project Code TOWN" (《代號TOWN》), a new game developed by Kabum (Beijing) in which the Group invested, is expected to be officially launched in overseas markets in the second half of 2026.

Mini-game track layout: Subsequent to the Reporting Period, the Group officially launched the mini-game version of "Immortal Sect Sovereign" (《仙界大掌門》) in August 2026, marking the Group's formal and comprehensive entry into the mini-game research, development, and publishing sector.

(iii) IP reserves and frontier technology (AI) empowerment

Premium IP reserves and cooperation: The Group has reserved game and anime IPs including "CrossFire" (《穿越火線》) and "One Punch Man" (《一拳超人》), and the relevant projects have all entered the development stage. The Group has entered into an agency collaboration with Krafton (parent company of "PUBG"), a renowned South Korean developer, for a large-scale open-world SOC game. During the Reporting Period, the Group continued to deepen its strategic deployment of premium IPs globally, and has entered into a strategic cooperation arrangement with The Pokémon Company, advancing cooperation on the joint development and operation of at least one product, and preparing for localised content adaptation and exclusive agency publication in the domestic market for the relevant products.

AI technology application: During the Reporting Period, the Group officially launched the internal version of "C-LIVE 1.0", a self-developed artificial intelligence (AI) agent for game development, which has been comprehensively applied across the research and development (R&D) processes of the Group's self-developed and invested teams. The agent provides strong technical support in core R&D areas including voice generation, video motion capture, three-dimensional (3D) scene generation, and rendering optimisation. As of the end of the Reporting Period, the "C-LIVE 1.0" agent had been applied to the NBA/FC series and multiple other products under development or in operation. The Group expects to launch the official version of "C-LIVE 2.0" in 2027, and will gradually extend its application to more internal and external partner teams based on actual application results.

Looking ahead, the Group will continue to firmly execute its strategy of integrated global R&D and publishing, continuously deepen cooperation with top-tier global IP holders and renowned development teams, and consistently promote the application of AI technology in R&D processes. With the successive launch of high-quality self-developed and agency products, the Group will further enrich its product portfolio and revenue streams, providing a pipeline of projects to support medium- to long-term business development.

IV. Strategic investment business: focusing on core sector, deepening industrial synergy and value realization

During the Reporting Period, the Group, based on its core business development plans, selectively invested in quality enterprises that can establish deep synergies with the Group's existing operations, thereby enhancing the efficiency and quality of its core businesses and broadening its growth horizons.

The Group's strategic investment in Ruyi Film Entertainment Co., Ltd. (formerly Wanda Film, hereinafter referred to as "**Ruyi Film**") entered a phase of deep integration and brand revitalization, achieving end-to-end integration across content creation, production and theatrical exhibition. Ruyi Film continued to deepen its "Super Scene + Super IP" strategy, closely integrating its in-house film and television production and gaming resources with Ruyi Film's nationwide theater network. This significantly enhanced the efficiency of converting high-quality content into commercial value, while continuously amplifying IP influence and extending its lifecycle.

To seize the strategic opportunities presented by "AI + Content", the Group made a strategic investment in AIsphere Technology, a global leader in AI video, constructing a bidirectional empowerment system of "technology + industry". Both parties will promote the collaboration on multiple dimensions. At the strategic level, the core team of AISphere Technology will assist the Group's intelligent transformation. At the technical application level, the focus will be on deep application of AI in areas such as film and television special effects, promotion and distribution, and game scene optimization, enhancing efficiency and content quality. At the innovation and expansion level, leveraging the Group's rich IP resources combined with AI technology for secondary creation, the two parties will jointly develop multimodal agents, and explore next-generation interactive content formats.

The Group also participated in external industrial funds to strategically invest in promising start-ups along the upstream and downstream of the industry chain. Through the fund managers, the Group identified innovative targets in content creation, IP development and game-related sectors, thereby establishing connectivity across the industry value chain. This model has effectively broadened the Group's industrial footprint, continuously reinforced its industrial synergy capabilities and long-term competitive moat, while injecting external vitality into the innovative development of its core businesses.

While ensuring that the funding requirements of its core businesses were fully met, the Group actively revitalized its idle funds through tiered allocation across different maturities. By investing in a diversified range of financial products, the Group balanced asset liquidity and security, thereby enhancing the utilization efficiency of idle funds and overall investment returns. All such investments were subject to stringent risk control mechanisms, further optimizing the Group's overall asset return profile. The Group's additions and disposals of financial assets at fair value through profit or loss during the six months ended 30 June 2026 did not constitute notifiable transactions under Chapter 14 of the Listing Rules, nor connected transactions under Chapter 14A.

ADJUSTED NET PROFIT

To supplement our consolidated financial statements which are presented in accordance with HKFRS Accounting Standards ("**HKFRS**"), we also use adjusted net profit as additional financial measures, which are not required by, or presented in accordance with HKFRS. We believe that these non-HKFRS measures, which have excluded certain items, facilitate comparisons of operating performance from period to period and company to company by eliminating potential impacts of items that our management does not consider to be indicative of our operating performance. We believe that these measures provide useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help management. However, our presentation of the adjusted net profit may not be comparable to similarly titled measures presented by other companies. The use of these non-HKFRS measures has limitations as an analytical tool, and you should not consider them in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under HKFRS. The following tables reconcile our adjusted net profit for the periods presented to the most directly comparable financial measures calculated and presented in accordance with HKFRS:

	Six months ended	
	30 June 2026 **RMB'000**	30 June 2025 RMB'000
Reconciliation of net profit to adjusted net profit		
Net profit for the period	**830,594**	1,227,634
Add:		
Share-based compensation expenses	**14,466**	26,775
Interest expenses on convertible bonds	**99,345**	23,721
Imputed interest expenses	**7,418**	24,470
Adjusted net profit	**951,823**	1,302,600

LIQUIDITY, CAPITAL RESOURCES, BORROWINGS AND GEARING RATIO

The Group maintains a prudent treasury policy. The Group primarily financed its operations through shareholder's equity, borrowings and cash generated from operations. During the six months ended 30 June 2026, the liquidity of the Group was closely monitored by the Board and the Group reviews its working capital and finance requirements on a regular basis.

Liquidity

As at 30 June 2026, the Group maintained a balance of cash and cash equivalents and term deposits of approximately RMB5,438.0 million (as at 31 December 2025: approximately RMB7,243.8 million). The decrease in the balance of cash and cash equivalents and term deposits was mainly due to the Group's investment in a diversified range of financial products with different tenors, with a view to optimising the efficiency of fund utilisation and enhancing the overall investment income.

Borrowings and Gearing Ratio

The Group maintained a sound financial position, and its borrowing demand was not seasonal. As at 30 June 2026, the Group had borrowings of RMB463.5 million (as at 31 December 2025: approximately RMB733.0 million), with borrowings at fixed interest rates accounting for 62.8%. Such borrowings will be due within 16 months.

As at 30 June 2026, the Group's net equity amounted to approximately RMB24,104.1 million (as at 31 December 2025: approximately RMB23,868.9 million) with total assets amounting to approximately RMB32,217.0 million (as at 31 December 2025: approximately RMB30,260.3 million). Net current assets were approximately RMB12,870.4 million (as at 31 December 2025: approximately RMB13,429.1 million) and the current ratio was 3.3 times (as at 31 December 2025: 4.3 times). Gearing ratio calculated on the basis of the Group's total debts (interest-bearing borrowings, convertible bonds and lease liabilities) over shareholders' funds was 18.2% (as at 31 December 2025: 9.5%).

Charge of Assets

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

Commitment

As at 30 June 2026, the Group had no capital commitment (as at 31 December 2025: nil).

Contingent Liabilities

The Company and the Group did not provide corporate guarantee to its subsidiaries or other parties and did not have other significant contingent liabilities as at 30 June 2026 (as at 31 December 2025: nil).

CURRENCY RISK MANAGEMENT

The Group had a significant amount of assets and liabilities denominated in Renminbi (RMB) as at 30 June 2026. The content production, online streaming and gaming businesses are mainly carried out in RMB in Mainland China. Therefore, the Group is exposed to the risk of significant fluctuation in RMB exchange rates. During the six months ended 30 June 2026, the Group closely monitored the fluctuation and does not expect any material fluctuation of exchange rates in the near future, but will continue to monitor it.

INTERIM DIVIDEND

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

MATERIAL ACQUISITION AND DISPOSAL

During the six months ended 30 June 2026, there was no other material acquisition or disposal by the Company or any of its subsidiaries.

SIGNIFICANT INVESTMENTS

Save as otherwise disclosed in this report, the Group did not have any significant investments for the six months ended 30 June 2026, and there was no plan authorised by the Board for other material investments or additions of capital assets as at the date of this report.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES AND OTHER EQUITY FUNDRAISING ACTIVITIES

Purchase, sale or redemption of the Company's listed securities

During the six months ended 30 June 2026, the Company bought back a total of 254,964,000 shares of the Company (the "**Shares**") on the Stock Exchange at an aggregate consideration of HK$366,702,520. All such bought back Shares will be cancelled. Details of the share buybacks are set out below:

Month	Number of Shares bought back	Price paid per Share Highest (HK$)	Price paid per Share Lowest (HK$)	Aggregate Consideration (HK$)
May 2026	223,744,000	1.52	1.33	323,680,200
June 2026	31,220,000	1.40	1.35	43,022,320
Total	**254,964,000**			**366,702,520**

Issue of HK$2,341 million 3.95% convertible bonds due 2030 under general mandate (the "2025 Bonds")

On 14 April 2025 (after trading hours), the Company and the CLSA Limited, Deutsche Bank AG, Hong Kong Branch, Goldman Sachs (Asia) L.L.C., Macquarie Capital Limited and Merrill Lynch (Asia Pacific) Limited (together as joint lead managers for the 2025 Bonds, the "**Managers**") entered into a conditional subscription agreement (the "**2025 Bonds Subscription Agreement**"), under which, among other things, the Managers have severally (and not jointly) agreed to subscribe and pay for, or to procure to subscribe and pay for, the 2025 Bonds to be issued by the Company in an aggregate principal amount of HK$2,341 million, subject to the terms and conditions as set out in the 2025 Bonds Subscription Agreement.

The 2025 Bonds may be converted into conversion shares pursuant to the conditions at an initial conversion price of HK$2.704 per conversion share (subject to adjustments pursuant to the terms and conditions of the 2025 Bonds). The closing price per Share as quoted on the Stock Exchange on the date of the 2025 Bonds Subscription Agreement was HK$2.31. The initial conversion price was determined with reference to the prevailing market price of the Shares and the terms and conditions of the 2025 Bonds was negotiated on an arm's length basis between the Company and the Managers after a book-building exercise.

The conversion shares to be allotted and issued upon conversion of the 2025 Bonds shall rank pari passu in all respects with the Shares then in issue on the relevant conversion date, and will utilise, based on the initial conversion price, approximately 865,754,437 Shares under the 2024 General Mandate.

The proposed issue of the 2025 Bonds is expected to provide the Group with definite amount of capital and thereby provide funding for the business development of the Group and further strengthen the financial position and the capital structure of the Group, without an immediate dilution effect on the shareholding of the existing shareholders (the "**Shareholders**") of the Company. At the same time, the potential shareholders base of the Company will also be enlarged.

The aggregate gross proceeds from the issue of the 2025 Bonds were HK$2,341 million. The aggregate net proceeds from the issue of the 2025 Bonds, after deduction of fees, commissions and other related expenses, were estimated to be approximately HK$2,304 million, representing a net issue price of approximately HK$2.662 per conversion share based on the initial conversion price. The Company intends to apply the net proceeds from the 2025 Bonds in the following manner: (i) approximately HK$2,074 million (approximately 90%) for the growth and expansion of the business of the Group, including but not limited to content production, purchase of drama script and copyright, purchase of copyright of films and TV programs, and for others (such as development of online game business); and (ii) approximately HK$230 million (approximately 10%) for the Group's general working capital purposes.

The issue of the 2025 Bonds in an aggregate principal amount of HK$2,341 million was completed on 22 April 2025 and the listing of and permission to deal in the 2025 Bonds on the Stock Exchange became effective on 23 April 2025.

For further details of the issue of the 2025 Bonds, please refer to the announcements of the Company dated 15 April 2025 and 22 April 2025 and the offering circular of the Company dated 14 April 2025.

Details of the planned application and utilisation of the net proceeds as at 30 June 2026 are set out below:

Proposed use of proceeds as disclosed in the announcements of the Company dated 15 April 2025 and 22 April 2025	**Allocated amount of net proceeds** (HK$ million)	**Percentage of total net proceeds** (%)	**Utilized amount as at 30 June 2026** (HK$ million)	**Unutilized amount as at 30 June 2026** (HK$ million)	**Expected timeframe for utilising the remaining unused net proceeds**
Growth and expansion of the business of the Group, including but not limited to:	2,074	90	1,075	999	before 31 December 2027
(i) content production	829	36	591	238	before 31 December 2027
(ii) purchase of drama script and copyright	230	10	41	189	before 31 December 2027
(iii) purchase of copyright of films and TV programs	230	10	29	201	before 31 December 2027
(iv) others (such as development of online game business)	785	34	414	371	before 31 December 2027
General working capital purposes (mainly including payment of (i) advertising and promotion costs; (ii) staff costs; (iii) technical and development services fee; and (iv) rental costs)	230	10	230	0	—
Total	**2,304**	**100**	**1,305**	**999**	**N/A**

Issue of new shares under general mandate

On 31 July 2025 (after trading hours), the Company entered into a subscription agreement (the "**Jul 2025 Subscription Agreement**") with Infini Capital Management Limited (the "**Jul 2025 Subscriber**"), pursuant to which the Subscriber conditionally agreed to subscribe, and the Company conditionally agreed to issue and allot a total of 1,300,000,000 subscription shares at a subscription price of HK$3.00 per subscription share (the "**Jul 2025 Share Subscription**") under the general mandate granted by the shareholders at the annual general meeting of the Company held on 3 June 2025 (the "**2025 General Mandate**"). On 1 August 2025 (before trading hours), the Company entered into a placing agreement (the "**Jul 2025 Placing Agreement**") with CLSA Limited (the "**Jul 2025 Placing Agent**"), engaged primarily to facilitate the settlement and dematerialization of the subscription shares under the Jul 2025 Subscription Agreement, which was a request of the Jul 2025 Subscriber (the "**Jul 2025 Placing**"). The closing price per Share as quoted on the Stock Exchange as at 31 July 2025 was HK$3.14. The subscription price was determined after arm's length negotiation between the Company and the Jul 2025 Subscriber after taking into account the prevailing market price of the Shares and the trading volume of the Shares. The allotment and issuance of Shares is expected to provide the Group with definite amount of capital whereby the shareholders base of the Company will also be enlarged and diversified, further strengthening the financial position and market reputation of the Group.

Pursuant to the terms and conditions of the Jul 2025 Subscription Agreement, a total of 390,000,000 subscription shares have been subscribed at the subscription price of HK$3.00 per subscription share on 18 August 2025 under the 2025 General Mandate.

The subscription price and the total number of subscription shares were amended pursuant to the supplemental agreements to the Jul 2025 Subscription Agreement and the Jul 2025 Placing Agreement dated 11 September 2025, 24 September 2025, 6 November 2025 and 12 December 2025. A total of 400,000,000 subscription shares were further allotted and issued at a subscription price of HK$2.60 per subscription share on 18 December 2025 under the 2025 General Mandate. The closing price per Share as quoted on the Stock Exchange as at 6 November 2025 was HK$2.65. The subscription price was determined after arm's length negotiation between the Company and the Jul 2025 Subscriber after taking into account the prevailing market price of the Shares and the trading volume of the Shares.

The gross proceeds from the Jul 2025 Share Subscription were approximately HK$2,210 million, while the aggregate net proceeds, after the deduction of related settlement agent fees, costs and expenses, were approximately HK$2,205 million. The net subscription price per Share, after such deductions, is estimated to be approximately HK$2.79. The Company intends to apply the net proceeds from the Jul 2025 Share Subscription in the following manner: (a) approximately HK$519 million for the growth and expansion of the business of the Group, including purchase of upstream literary works and script copyright, collaborative investments with screenwriter and director, and film and television production or related investment; (b) approximately HK$1,557 million for strategic investments and acquisitions to expand the Group's business, including investment and acquisitions involving targets in the gaming industry and the film industry; and (c) approximately 129 million for the Group's general working capital purposes (mainly including payment of advertising and promotion costs, staff costs, technical and development services fee, and rental costs).

For further details of the Jul 2025 Share Subscriptions and the Jul 2025 Placing, please refer to the announcements of the Company dated 1 August 2025, 18 August 2025, 12 September 2025, 24 September 2025, 10 October 2025, 6 November 2025 and 12 December 2025 and the next day disclosure returns of the Company dated 18 August 2025 and 18 December 2025.

Management Discussion and Analysis (Continued)

Details of the planned application and utilisation of the net proceeds as at 30 June 2026 are set out below:

Proposed use of proceeds as disclosed in the announcements of the Company dated 18 August 2025, 12 September 2025, 24 September 2025, 10 October 2025, 6 November 2025 and 14 December 2025	Allocated amount of net proceeds (HK$ million)	Percentage of total net proceeds (%)	Utilized amount as at 30 June 2026 (HK$ million)	Unutilized amount as at 30 June 2026 (HK$ million)	Expected timeframe for utilising the remaining unused net proceeds
Growth and expansion of the business of the Group	519	23.53	0	519	before 31 December 2027
(i) Purchase of upstream literary works and script copyright	129.75	5.88	0	129.75	before 31 December 2027
(ii) Collaborative investments with screenwriter and director	129.75	5.88	0	129.75	before 31 December 2027
(iii) Film and television production or related investment	259.5	11.77	0	259.5	before 31 December 2027
Strategic investments and acquisitions to expand the Group's business	1,557	70.62	500	1,057	before 31 December 2027
(i) Investment and acquisitions involving targets in the gaming industry	778.5	35.31	105	637.5	before 31 December 2027
(ii) Investment and acquisitions involving targets in the film industry	778.5	35.31	395	383.5	before 31 December 2027
General working capital purposes (mainly including payment of (i) advertising and promotion costs; (ii) staff costs; (iii) technical and development services fee; and (iv) rental costs)	129	5.85	21	108	before 31 December 2027
Total	**2,205**	**100**	**521**	**1,684**	**N/A**

Issue of HK$2,574 million zero coupon convertible bonds due 2027 under general mandate (the "2026 Bonds")

On 26 January 2026 (after trading hours), the Company and Deutsche Bank AG, Hong Kong Branch (the "**Sole Lead Manager**") entered into a conditional subscription agreement (the "**2026 Bonds Subscription Agreement**"), under which, among other things, the Sole Lead Manager has agreed to subscribe and pay for, or to procure to subscribe and pay for, the 2026 Bonds to be issued by the Company in an aggregate principal amount of HK$2,574 million, subject to the terms and conditions as set out in the 2026 Bonds Subscription Agreement.

The 2026 Bonds may be converted into conversion shares pursuant to the conditions at an initial conversion price of HK$2.6 per conversion share (subject to adjustments pursuant to the terms and conditions of the 2026 Bonds). On the date of the 2026 Bonds Subscription Agreement, the closing price of the Shares as quoted on the Stock Exchange was HK$2.26 per Share. The conversion shares to be allotted and issued upon conversion of the 2026 Bonds shall rank pari passu in all respects with the Shares then in issue on the relevant conversion date, and will utilise, based on the initial conversion price, approximately 989,999,010 Shares under the general mandate granted to the directors of the Company (the "**Directors**") at the annual general meeting of the Company held on 3 June 2025.

The aggregate gross proceeds from the issue of the 2026 Bonds were HK$2,574 million. The aggregate net proceeds from the issue of the 2026 Bonds, after deduction of fees, commissions and other related expenses, were estimated to be approximately HK$2,548 million, representing a net issue price of approximately HK$2.574 per conversion share based on the initial conversion price. The Company intends to apply the net proceeds from the 2026 Bonds in the following manner: (i) approximately HK$593 million (approximately 23.27%) for the repayment of the Group's indebtedness; (ii) approximately HK$366 million (approximately 14.36%) for partial consideration for purchase of 30% equity interest in Beijing Yonghang Technology Co., Ltd. ("**Beijing Yonghang**"); (iii) approximately HK$510 million (approximately 20.02%) for strategic investments and acquisitions to expand the Group's business; (iv) approximately HK$390 million (approximately 15.31%) for operational needs of the Group's gaming business; and (v) approximately HK$689 million (approximately 27.04%) for drama series for streaming platforms.

The issue of the 2026 Bonds in an aggregate principal amount of HK$2,574 million was completed on 2 February 2026 and the 2026 Bonds have been listed on the Vienna Stock Exchange.

On 18 May 2026, the Company repurchased the 2026 Bonds in an aggregate principal amount of HK$50 million at their denomination. Immediately following such repurchase and cancellation of the 2026 Bonds, the outstanding principal amount of the 2026 Bonds is HK$2,524 million, and the conversion price of the 2026 Bonds remains unchanged at HK$2.6 per conversion share based on the prevailing conversion price.

For further details of the issue of the 2026 Bonds, please refer to the announcements of the Company dated 27 January 2026, 2 February 2026 and 18 May 2026.

Details of the planned application and utilisation of the net proceeds as at 30 June 2026 are set out below:

Proposed use of proceeds as disclosed in the announcement of the Company dated 27 January 2026	Allocated amount of net proceeds (HK$ million)	Percentage of total net proceeds (%)	Utilized amount as at 30 June 2026 (HK$ million)	Unutilized amount as at 30 June 2026 (HK$ million)	Expected timeframe for utilising the remaining unused net proceeds
Repayment of the Group's indebtedness	593	23.27	346	247	28 February 2027
Partial consideration for purchase of 30% equity interest in Beijing Yonghang	366	14.36	0	366	28 February 2027
Strategic investments and acquisitions to expand the Group's business	510	20.02	319	191	28 February 2027
Operational needs of the Group's gaming business	390	15.31	390	0	28 February 2027
Drama series for streaming platforms	689	27.04	431	258	28 February 2027
Total	**2,548**	**100**	**1,486**	**1,062**	**N/A**

Save as disclosed above, there was no purchase, sale or redemption by the Company or any of its subsidiaries of the Company's listed securities and the Company had not conducted any other equity fundraising activities during the six months ended 30 June 2026.

SHARE-BASED PAYMENTS

2013 Share Option Scheme

The Company's former share option scheme (the "**2013 Share Option Scheme**") adopted pursuant to a resolution passed by the shareholders on 31 October 2013 was terminated by a resolution passed in the annual general meeting of the Company held on 28 June 2023 (the "**2023 AGM**"). The purpose of the 2013 Share Option Scheme was to provide incentives to eligible participants.

No further options shall be granted under the 2013 Share Option Scheme upon termination but in all other respects, the provision of the 2013 Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any options granted prior thereto or otherwise as may be required in accordance with the provisions of the 2013 Share Option Scheme and the options granted prior to the termination shall continue to be valid and exercisable in accordance with 2013 Share Option Scheme.

Management Discussion and Analysis (Continued)

On 26 November 2021, the Company granted 181,917,000 share options pursuant to the 2013 Share Option Scheme and no further share options were granted pursuant to the 2013 Share Option Scheme up to the termination of the 2013 Share Option Scheme. For the six months ended 30 June 2026, (1) 181,228,000 share options granted under the 2013 Share Option Scheme had not been exercised; and (2) no share option granted under the 2013 Share Option Scheme had been lapsed or cancelled (as at 31 December 2025: nil). Accordingly, the disclosure requirement under Rule 17.07(3) of the Listing Rules to divide the number of Shares that may be issued by the Company in respect of options granted under all share option schemes during the Reporting Period by the weighted average number of issued Shares during the Reporting Period is not applicable.

Details of movements of share options granted to the Directors under the 2013 Share Option Scheme during the Reporting Period are as follows:

Grantee	Date of grant	Outstanding as at 1 January 2026	Vested during the Reporting Period	Granted during the Reporting Period	Exercised during the Reporting Period	Lapsed/ cancelled during the Reporting Period	Outstanding as at 30 June 2026	Exercise period	Exercise price per share (HK$)
Mr. Zhang Qiang	26 November 2021	500	–	–	–	–	500	26 November 2022–25 November 2027	3.43
	26 November 2021	1,000	–	–	–	–	1,000	26 November 2024–25 November 2028	3.43
	26 November 2021	1,500	–	–	–	–	1,500	26 November 2025–25 November 2029	3.43
	26 November 2021	3,000	–	–	–	–	3,000	26 November 2025–25 November 2030	3.43
	26 November 2021	4,000	–	–	–	–	4,000	26 November 2026–25 November 2031	3.43
Total:		**10,000**	**–**	**–**	**–**	**–**	**10,000**		

Notes:

1. The vesting period for the share options granted on 26 November 2021 is from 26 November 2022 to 25 November 2031.

2. The closing price immediately before the date on which the share options were granted on 26 November 2021 was HKD3.43 per share.

Details of movements of share options granted to senior management and employees of the Group (apart from Directors) under the 2013 Share Option Scheme during the Reporting Period are as follows:

	Number of Share Options (thousands)							
Date of grant	Outstanding as at 1 January 2026	Vested during the Reporting Period	Granted during the Reporting Period	Exercised during the Reporting Period	Lapsed/ cancelled during the Reporting Period	Outstanding as at 30 June 2026	Exercise period	Exercise price (HK$)
26 November 2021	6,161.55	–	–	–	–	6,161.55	26 November 2022– 25 November 2027	3.43
26 November 2021	12,323.10	–	–	–	–	12,323.10	26 November 2024– 25 November 2028	3.43
26 November 2021	18,484.65	–	–	–	–	18,484.65	26 November 2025– 25 November 2029	3.43
26 November 2021	36,968.30	–	–	–	–	36,968.30	26 November 2025– 25 November 2030	3.43
26 November 2021	49,290.40	–	–	–	–	49,290.40	26 November 2026– 25 November 2031	3.43
Total:	**123,228**	**–**	**–**	**–**	–	**123,228**		

Notes:

1. The vesting period for the share options granted on 26 November 2021 is from 26 November 2022 to 25 November 2031.

2. The closing price immediately before the date on which the share options were granted on 26 November 2021 was HK$3.43 per share.

2023 Share Option Scheme

The Company adopted the current share option scheme (the "**2023 Share Option Scheme**") pursuant to a resolution passed by the shareholders in the 2023 AGM. The purpose of the 2023 Share Option Scheme is to provide incentives to eligible participants. As at the date of this report, no options have been granted under the 2023 Share Option Scheme and no other share scheme has been adopted by the Company.

Eligible participants under the 2023 Share Option Scheme ("**Eligible Participants**") include:

- employee participants: the directors (including independent non-executive directors), officers (who are also directors and/or employees) and employees (whether full-time or part-time) of any member of the Group (including persons who are granted options under the 2023 Share Option Scheme as inducement to enter into employment contracts with any member of the Group);

- Related entity participants: any director, chief executive (who are also directors and/or employees) and employee of the holding companies, fellow subsidiaries or associated companies of the Company; and

- Service providers ("**Service Providers**"): any person providing services to the Group on a continuing and recurring basis in its ordinary and usual course of business of the Group, the grant of options to whom is in the interests of the long-term growth of the Group as determined by the Board, namely:

  (i) suppliers of products or services, including suppliers, artistes, advisors, consultants, agents or other professional firms with expertise in production, development, marketing, promotion and/or distribution of film and television dramas, online streaming and games and other business activity(ies) that may be carried out by the Group from time to time; and

  (ii) business partners, including distributors, joint venture partners or other contractual parties, which may be entities in the film and television drama production, online streaming and game industries and other business industries in which the Group operates from time to time that collaborate with the Group on continuing or discrete projects; but, for the avoidance of doubt,

  excluding (i) placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions of the Company or its subsidiaries, and (ii) professional service providers such as the auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity.

The Board may, at its discretion, grant options to any Eligible Participant to subscribe for shares in the Company at the subscription price of (i) the closing price of the shares on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on the date of grant of the option, which must be a trading day; (ii) the average of the closing prices of the shares on the Stock Exchange on the five trading days immediately preceding the date of grant of the options; or (iii) the nominal value of the shares, whichever is the highest.

The maximum number of Shares in respect of which options may be granted to each participant (excluding any options and awards lapsed in accordance with the terms of the relevant schemes) in any 12-month period shall not exceed 1% of the total number of the issued share of the Company. Upon acceptance of option, the grantee shall pay HK$1 to the Company by way of consideration of the grant. To the extent that the offer to grant an option is not accepted within 30 days from the date upon which it is made, it shall be deemed to have been irrevocably declined and lapsed automatically.

Subject to the exceptions as set out under the 2023 Share Option Scheme, an option granted under the 2023 Share Option Scheme have to be held for at least 12 months before it can be exercised. Save as determined by the Board and provided in the offer letter of the grant of an option, there is no performance target for the 2023 Share Option Scheme. The expiry date of the option is 10 years after the grant.

The total number of options available for grant under the scheme mandate of the 2023 Share Option Scheme at the beginning of the Reporting Period and the end of the Reporting Period was 1,000,464,754 and 1,000,464,754, respectively. The total number of options available for grant under the Service Provider sub-limit of the 2023 Share Option Scheme at the beginning of the Reporting Period and the end of the Reporting Period was 500,232,377 and 500,232,377, respectively.

Since the adoption of the 2023 Share Option Scheme and up to the date of this report, the Company has not granted any share option under the 2023 Share Option Scheme or adopted any other share scheme. As at 30 June 2026, there were no outstanding options under the 2023 Share Option Scheme. Accordingly, the disclosure requirement under Rule 17.07(1)(d) of the Listing Rules of the weighted average closing price of the Shares immediately before the date on which the options were exercised or vested, and the disclosure requirement under Rule 17.07(3) of the Listing Rules to divide the number of Shares that may be issued by the Company in respect of options granted under all share option schemes of the Company during the Reporting Period by the weighted average number of issued Shares during the Reporting Period, are not applicable.

The total number of Shares available for issue under the 2023 Share Option Scheme is 1,000,464,754, representing approximately 5.95% of the issued Shares as at the date of this report.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2026, the interest and short positions of the Directors of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "**SFO**")) as required to be kept and recorded in the register maintained by the Company pursuant to Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by directors of the Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") as adopted by the Company, was as follows:

Long positions in shares of the Company:

Name of Director	Nature of interest	Beneficial interest in Shares	Approximate % of interest
Mr. Ke Liming (Note 1)	Controlled corporation	2,120,671,294	12.62%
	Other (Note 2)	506,709,956	3.02%
Mr. Gong Qiao (Note 3)	Beneficial owner	8,388,000	0.05%
Mr. Zhang Qiang (Note 4)	Beneficial owner	10,000,000	0.06%
Mr. Yang Ming (Note 5)	Beneficial owner	1,080,000	0.01%

Notes:

(1) The 2,627,381,250 shares of the Company were indirectly held by Mr. Ke Liming, an executive Director and the chairman of the Board, through Pumpkin Films Limited, a company wholly-owned by him.

(2) Solely to facilitate on-lending to holders and/or prospective holders of the Bonds proposed to be issued by the Company to conduct hedging transactions, Pumpkin Films Limited entered into stock borrowing and lending agreements with Merrill Lynch International and Goldman Sachs International on 14 April 2025 and delivered the shares on the same date.

(3) Mr. Gong Qiao as directly interested in 8,388,000 shares.

(4) The interests in shares (as defined in Part XV of the SFO) held by Mr. Zhang Qiang respectively represent the underlying shares of the options granted to Mr. Zhang Qiang under the 2013 Share Option Scheme.

(5) Mr. Yang Ming was directly interested in 1,080,000 Shares.

Save as disclosed above, as at 30 June 2026, none of the Directors, the chief executives of the Company nor their associates had any interests or short position in the shares, underlying shares or debentures of the Company and any of its associated corporations that were required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Listing Rules. During the Reporting Period, no individual has held the position of chief executive of the Company.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this report, at no time during the Reporting Period was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of, the Company or any other body corporate, and none of the Directors, or their spouses or children under the age of eighteen, had any right to subscribe for the securities of the Company, or had exercised any such rights during the Reporting Period.

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

Positions as at 30 June 2026

As at 30 June 2026, Shareholders who had interests or short positions in the shares or underlying shares of the Company of 5% or more which fell to be disclosed to the Company under Part XV of the SFO, or which were recorded in the register to be kept by the Company under Section 336 of the SFO, were as follows:

Interest in the shares and underlying shares — long positions:

Name of Shareholder	Number of ordinary shares held	Deemed interests in number of Shares	Total	Capacity	Approximate percentage of issued share capital of the Company
Mr. Ke Liming (Note 1)	0	2,120,671,294	2,120,671,294	Interest of a controlled corporation	12.62%
	0	506,709,956	506,709,956	Other (Note 2)	3.02%
Pumpkin Films Limited (Note 1)	2,120,671,294	0	2,120,671,294	Beneficial owner	12.62%
	506,709,956	0	506,709,956	Other (Note 2)	3.02%
Tencent Holdings (Note 3)	0	2,582,401,232	2,582,401,232	Interest of a controlled corporation	15.37%
Water Lily (Note 3)	2,545,734,565	0	2,545,734,565	Beneficial owner	15.15%
Sunshine Life Insurance Corporation Limited	1,489,944,438	0	1,489,944,438	Beneficial owner	8.87%

Notes:

(1) Pumpkin Films Limited is wholly-owned by Mr. Ke Liming. The 2,627,381,250 shares of the Company were indirectly held by Mr. Ke Liming, through Pumpkin Films Limited.

(2) Solely to facilitate on-lending to holders and/or prospective holders of the Bonds proposed to be issued by the Company to conduct hedging transactions, Pumpkin Films Limited entered into stock borrowing and lending agreements with Merrill Lynch International and Goldman Sachs International on 14 April 2025 and delivered the shares on the same date.

(3) Tencent Holdings was indirectly interested in 2,582,401,232 Shares of which 2,545,734,565 Shares were directly held by Water Lily, an indirect wholly-owned subsidiary of Tencent Holdings and 36,666,667 Shares were directly held by Tencent Mobility Limited, a wholly-owned subsidiary of Tencent Holdings.

Save as disclosed above, as at 30 June 2026, the Company had not been notified by any person who had interests or short positions in the shares and underlying shares of the Company which fell to be disclosed to the Company under Part XV of the SFO or which were recorded in the register required to be kept by Company under Section 336 of the SFO.

Position as at 28 August 2026

As at the date of this report, being 28 August 2026, Shareholders who had interests or short positions in the shares or underlying shares of the Company of 5% or more which fell to be disclosed to the Company under Part XV of the SFO, or which were recorded in the register to be kept by the Company under Section 336 of the SFO, were as follows:

Interest in the shares and underlying shares — long positions:

Name of Shareholder	Number of ordinary shares held	Deemed interests in number of shares	Total	Capacity	Approximate percentage of issued share capital of the Company
Mr. Ke Liming (Note 1)	0	2,120,671,294	2,120,671,294	Interest of a controlled corporation	12.62%
	0	506,709,956	506,709,956	Other (Note 2)	3.02%
Pumpkin Films Limited (Note 1)	2,120,671,294	0	2,120,671,294	Beneficial owner	12.62%
	506,709,956	0	506,709,956	Other (Note 2)	3.02%
Tencent Holdings (Note 3)	0	2,582,401,232	2,582,401,232	Interest of a controlled corporation	15.37%
Water Lily (Note 3)	2,545,734,565	0	2,545,734,565	Beneficial owner	15.15%
Sunshine Life Insurance Corporation Limited	1,489,944,438	0	1,489,944,438	Beneficial owner	8.87%

Notes:

(1) Pumpkin Films Limited is wholly-owned by Mr. Ke Liming. The 2,627,381,250 shares of the Company were indirectly held by Mr. Ke Liming, through Pumpkin Films Limited.

(2) Solely to facilitate on-lending to holders and/or prospective holders of the Bonds proposed to be issued by the Company to conduct hedging transactions, Pumpkin Films Limited entered into stock borrowing and lending agreements with Merrill Lynch International and Goldman Sachs International on 14 April 2025 and delivered the shares on the same date.

(3) Tencent Holdings was indirectly interested in 2,582,401,232 Shares of which 2,545,734,565 Shares were directly held by Water Lily, an indirect wholly-owned subsidiary of Tencent Holdings and 36,666,667 Shares were directly held by Tencent Mobility Limited, a wholly-owned subsidiary of Tencent Holdings.

Save as disclosed above, as at the date of this report, being 28 August 2026, the Company had not been notified by any person who had interests or short positions in the shares and underlying shares of the Company which fell to be disclosed to the Company under Part XV of the SFO or which were recorded in the register required to be kept by Company under Section 336 of the SFO.

DISCLOSURE OF DIRECTORS' INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

During the Reporting Period and up to the date of this report, the directors of the Company are as follows:

Executive Directors

Mr. Ke Liming *(Chairman)*
Mr. Zhang Qiang
Mr. Gong Qiao *(appointed on 25 June 2026)*

Non-executive Director

Mr. Yang Ming

Independent Non-executive Directors

Mr. Chau Shing Yim, David
Mr. Nie Zhixin
Mr. Chen Haiquan
Professor Shi Zhuomin

On 25 June 2026, Mr. Gong Qiao was appointed as an executive Director. Mr. Gong Qiao is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the memorandum of association and bye-laws of the Company and the Listing Rules, and shall retire from office at least once every three years. Mr. Chau Shing Yim, David has ceased to be an independent non-executive director of Man Wah Holdings Limited (Stock Code: 1999) with effect from 3 July 2026. Save as disclosed above, there has been no change in the information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the date of the annual report of the Company for the financial year ended 31 December 2025.

NUMBER OF EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2026, the Group employed 693 employees. The remuneration policy of the Group is to reward its employees with reference to their qualifications, experience and work performance as well as to market benchmarks. Employee benefits include medical insurance coverage, mandatory provident fund and others. Total staff costs for the six months ended 30 June 2026, including directors' emoluments, amounted to approximately RMB178.1 million (for the six months ended 30 June 2025: approximately RMB161.3 million).

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

The Group has no event after the end of the reporting period that needs to be brought to the attention of the shareholders.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

The Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

REVIEW OF INTERIM RESULTS

The interim financial information of the Company for the six months ended 30 June 2026 has been reviewed by the audit committee of the Company (the "**Audit Committee**"), which comprises the three independent non-executive Directors of the Company.

The unaudited condensed consolidated financial information of the Group for the six months ended 30 June 2026 has been reviewed by PricewaterhouseCoopers 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.

CORPORATE GOVERNANCE

The Board considers that good corporate governance practices are crucial to the smooth and effective operation of the Group and the safeguarding of the interests of the shareholders and other stakeholders of the Company. The Company has put in place internal policies to ensure the compliance and has adopted and complied with the code provisions set out in the Corporate Governance Code (the "**Code**") contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") during the six months ended 30 June 2026 except for the following deviations from the Code provision:

- Code provision C.2.1 stipulated that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. During the six months ended 30 June 2026, the Company has no such title as chief executive officer. The overall responsibility of supervising and ensuring that the Group functions in line with the order of the Board in terms of day-to-day operation and execution is vested in the Board itself. The Board believes that the current structure is conducive to strong and consistent leadership and oversight enabling the Group to operate efficiently; and

- Code provision B.3.5 (which takes effect on 1 July 2025) stipulated that every listed issuer must appoint at least one director of a different gender to the nomination committee. During the six months ended 30 June 2026, and as at the date of this report, the composition of the Nomination Committee of the Company comprises only one gender. The Board is in the process of identifying suitable candidate(s) to fill and join the Nomination Committee as soon as practicable and the Company will make further announcement(s) as and when appropriate. Nevertheless, the Board already includes one female director, demonstrating our commitment to gender diversity.

COMPLIANCE WITH THE MODEL CODE

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. The Company, having made specific and cautious enquiries, confirmed that all Directors had complied with the Model Code for the six months ended 30 June 2026.

FORWARD LOOKING STATEMENTS

There can be no assurance that any forward-looking statements regarding the Group set out in this report or any of the matters set out therein are attainable, will actually occur or will be realised or are complete or accurate. Shareholders and/or potential investors of the Company are advised to exercise caution when dealing in the securities of the Company and not to place undue reliance on the information disclosed herein. Any holder of securities or potential investor of the Company who is in doubt is advised to seek advice from professional advisors.

APPRECIATION

I would like to take this opportunity to thank our Shareholders, investors and business parties for their continuing support to the Group, and to my colleagues for their valuable contribution during the Reporting Period.

By order of the Board
China Ruyi Holdings Limited
Mr. Ke Liming
Chairman

Hong Kong, 28 August 2026

Independent Auditor's Review Report

pwc 羅兵咸永道

Report on Review of Interim Financial Information
To the Board of Directors of China Ruyi Holdings Limited
(incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 29 to 86, which comprises the interim condensed consolidated statement of financial position of China Ruyi Holdings Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2026 and the interim condensed consolidated statement of profit or loss and other comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and selected explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" as issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" as issued by the HKICPA. Our responsibility is to express a conclusion on this interim financial information 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" as issued by the HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Independent Auditor's Review Report (Continued)

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" as issued by the HKICPA.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 28 August 2026

Interim Condensed Consolidated Statement of Financial Position

	Notes	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Assets			
Non-current assets			
Property, plant and equipment	7	**74,371**	80,350
Right-of-use assets	7	**54,307**	56,467
Goodwill	7	**4,443,665**	4,443,665
Film and television programmes rights	11	**1,086,857**	1,353,174
Other intangible assets	7	**759,838**	743,097
Deferred tax assets		**100,882**	95,917
Prepayments and other non-financial assets	9	**63,954**	40,384
Deposits	10	**7,080**	5,457
Investments accounted for using the equity method	8	**2,283,325**	1,712,143
Financial assets at fair value through other comprehensive income		**486**	513
Financial assets at fair value through profit or loss	13	**4,917,105**	4,277,999
		13,791,870	12,809,166
Current assets			
Film and television programmes rights	11	**2,314,761**	2,251,005
Inventories		**3,018**	3,039
Prepayments and other non-financial assets	9	**490,742**	440,939
Trade receivables	12	**2,738,616**	2,517,984
Other receivables and deposits	10	**1,146,269**	1,398,223
Financial assets at fair value through profit or loss	13	**6,293,673**	3,596,181
Term deposits		**—**	957,718
Cash and cash equivalents		**5,438,025**	6,286,066
		18,425,104	17,451,155
Total assets		**32,216,974**	30,260,321
Equity			
Equity attributable to equity holders of the Company			
Share capital	14	**318,541**	318,541
Share premium	14	**22,673,729**	22,673,729
Treasury shares	14	**(319,752)**	—
Other reserves	15	**(154,811)**	127,663
Retained earnings		**1,586,417**	749,011
		24,104,124	23,868,944
Non-controlling interests		**(30,033)**	(23,221)
Total equity		**24,074,091**	23,845,723

Interim Condensed Consolidated Statement of Financial Position (Continued)

	Notes	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Liabilities			
Non-current liabilities			
Borrowings	16	71,272	69,398
Lease liabilities		27,276	27,628
Deferred tax liabilities		431,486	436,668
Contingent consideration payable		267,000	17,000
Convertible bonds	20	1,791,118	1,841,893
		2,588,152	2,392,587
Current liabilities			
Trade payables	17	427,935	530,859
Other payables and accruals	19	1,366,054	1,460,522
Contract liabilities		27,371	18,563
Current income tax liabilities		392,167	571,217
Borrowings	16	392,227	663,563
Lease liabilities		28,650	23,522
Contingent consideration payable	8	110,000	—
Film and television programmes investment funds from investors	18	563,246	673,136
Convertible bonds	20	2,247,081	80,629
		5,554,731	4,022,011
Total liabilities		8,142,883	6,414,598
Total equity and liabilities		32,216,974	30,260,321

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

Ke Liming
Director

Zhang Qiang
Director

Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Notes	Six months ended 30 June 2026 (Unaudited) RMB'000	Six months ended 30 June 2025 (Unaudited) RMB'000
Revenue	6	**1,183,084**	2,206,249
Cost of revenue	21	**(892,155)**	(1,083,467)
Gross profit		**290,929**	1,122,782
Selling and marketing costs	21	**(46,523)**	(140,964)
Administrative expenses	21	**(124,804)**	(121,046)
Net impairment losses on financial assets	5.2(b)	**(38,266)**	(11,931)
Other income		**17,471**	7,666
Other gains — net	24	**774,375**	479,927
Operating profit		**873,182**	1,336,434
Finance cost	22	**(115,870)**	(57,207)
Finance income	22	**58,120**	104,255
Finance (cost)/income — net	22	**(57,750)**	47,048
Share of profit of associates accounted for using the equity method	8	**36,432**	94,659
Profit before income tax		**851,864**	1,478,141
Income tax expenses	23	**(21,270)**	(250,507)
Profit for the period		**830,594**	1,227,634
Other comprehensive losses			
Items that may be reclassified to profit or loss:			
Changes at fair value through other comprehensive (loss)/income		**(8)**	11
Currency translation differences		**379,454**	(2,254)
Items that may not be reclassified to profit or loss:			
Currency translation differences		**(713,780)**	(22,368)
Other comprehensive losses for the period, net of tax		**(334,334)**	(24,611)
Total comprehensive income for the period		**496,260**	1,203,023

Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Continued)

	Notes	Six months ended 30 June 2026 (Unaudited) RMB'000	Six months ended 30 June 2025 (Unaudited) RMB'000
Profit for the period attributable to:			
— Equity holders of the Company		**837,406**	1,235,100
— Non-controlling interests		**(6,812)**	(7,466)
		830,594	1,227,634
Total comprehensive income for the period attributable to:			
— Equity holders of the Company		**503,072**	1,210,489
— Non-controlling interests		**(6,812)**	(7,466)
		496,260	1,203,023
Earnings per share for profit for the period attributable to the equity holders of the Company: (expressed in RMB cents per share)			
— Basic earnings per share	25	**5.00**	8.14
— Diluted earnings per share	25	**4.98**	8.12

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Interim Condensed Consolidated Statement of Changes in Equity

	Unaudited						
	Attributable to equity holders of the Company						
	Share capital RMB'000 (Note 14)	Share premium RMB'000 (Note 14)	Other reserves RMB'000 (Note 15)	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance as at 1 January 2025 (Audited)	273,444	17,069,660	49,736	(1,047,625)	16,345,215	(12,608)	16,332,607
Comprehensive income							
Profit for the period	—	—	—	1,235,100	1,235,100	(7,466)	1,227,634
Other comprehensive loss							
Changes at fair value through other comprehensive income	—	—	11	—	11	—	11
Currency translation differences	—	—	(24,622)	—	(24,622)	—	(24,622)
Total comprehensive income	—	—	(24,611)	1,235,100	1,210,489	(7,466)	1,203,023
Transactions with equity holders							
Issuance of ordinary shares (Note 14(a))	21,792	2,561,555	—	—	2,583,347	—	2,583,347
Share-based compensation expenses	—	—	26,775	—	26,775	—	26,775
Issuance of convertible bonds	—	—	195,915	—	195,915	—	195,915
Total transactions with equity holders	21,792	2,561,555	222,690	—	2,806,037	—	2,806,037
Balance as at 30 June 2025 (Unaudited)	295,236	19,631,215	247,815	187,475	20,361,741	(20,074)	20,341,667

Interim Condensed Consolidated Statement of Changes in Equity (Continued)

	Unaudited							
	Attributable to equity holders of the Company							
	Share capital RMB'000 (Note 14)	Share premium RMB'000 (Note 14)	Treasury shares RMB'000 (Note 14)	Other reserves RMB'000 (Note 15)	Retained earnings RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance as at 1 January 2026 (Audited)	318,541	22,673,729	–	127,663	749,011	23,868,944	(23,221)	23,845,723
Comprehensive income								
Profit for the period	–	–	–	–	837,406	837,406	(6,812)	830,594
Other comprehensive loss								
Changes at fair value through other comprehensive loss	–	–	–	(8)	–	(8)	–	(8)
Currency translation differences	–	–	–	(334,326)	–	(334,326)	–	(334,326)
Total comprehensive income	–	–	–	(334,334)	837,406	503,072	(6,812)	496,260
Transactions with equity holders								
Issuance of convertible bonds (Note 20(b))	–	–	–	37,589	–	37,589	–	37,589
Repurchase of convertible bonds (Note 20(b))	–	–	–	(195)	–	(195)	–	(195)
Repurchase of shares (Note 14(b))	–	–	(319,752)	–	–	(319,752)	–	(319,752)
Share-based compensation expenses	–	–	–	14,466	–	14,466	–	14,466
Total transactions with equity holders	–	–	(319,752)	51,860	–	(267,892)	–	(267,892)
Balance as at 30 June 2026 (Unaudited)	318,541	22,673,729	(319,752)	(154,811)	1,586,417	24,104,124	(30,033)	24,074,091

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Interim Condensed Consolidated Statement of Cash Flows

	Six months ended	
	30 June 2026 (Unaudited) RMB'000	30 June 2025 (Unaudited) RMB'000
Cash flows from operating activities		
Cash (used in)/generated from operations	**(128,445)**	165,873
Interest paid	**(49,234)**	(5,917)
Interest received	**37,384**	53,542
Income tax paid	**(210,467)**	(307,709)
Net cash used in operating activities	**(350,762)**	(94,211)
Cash flows from investing activities		
Purchases of property, plant and equipment (Note 7)	**(9,281)**	(5,378)
Purchases of intangible assets (Note 7)	**(35,854)**	—
Purchases of financial assets at fair value through profit or loss (Note 13)	**(14,687,146)**	(1,722,906)
Purchases of investments accounted for using the equity method (Note 8)	**(181,690)**	(82,535)
Proceeds from disposal of financial assets at fair value through profit or loss	**11,979,268**	69,813
Advance of receivables from investments in films and television programmes rights	**—**	(15,000)
Repayment of receivables from investments in films and television programmes rights	**40,500**	10,500
Dividend income from investments accounted for using the equity method (Note 8)	**99,000**	—
Dividend income from financial assets at fair value through profit or loss (Note 13)	**35,692**	—
Advance of loans to third parties	**(158,976)**	(303,500)
Proceeds from loans to third parties	**32,352**	217,000
Proceeds from maturity of term deposits	**939,637**	—
Net cash used in investing activities	**(1,946,498)**	(1,832,006)

Interim Condensed Consolidated Statement of Cash Flows (Continued)

	Six months ended 30 June 2026 (Unaudited) RMB'000	Six months ended 30 June 2025 (Unaudited) RMB'000
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	**—**	2,541,627
Proceeds from contributions from non-controlling interests	**1,000**	—
Proceeds from issuance of convertible bonds (Note 20(b))	**2,271,624**	2,126,998
Proceeds from bank borrowings	**139,500**	140,600
Payments for repurchase of convertible bonds (Note 20(b))	**(43,087)**	—
Repayments of principal and interests for bank and other borrowings	**(405,752)**	(769,042)
Payments for repurchase of shares (Note 14(b))	**(319,752)**	—
Repayments of principal elements of leases	**(10,401)**	(18,371)
Net cash generated from financing activities	**1,633,132**	4,021,812
Net (decrease)/increase in cash and cash equivalents	**(664,128)**	2,095,595
Cash and cash equivalents at beginning of period	**6,286,066**	3,493,642
Effect of exchange rate changes on cash and cash equivalent	**(183,913)**	(60,968)
Cash and cash equivalents at end of period	**5,438,025**	5,528,269

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Condensed Consolidated Interim Financial Information

1 GENERAL INFORMATION

China Ruyi Holdings Limited (the "Company") was incorporated in Bermuda with limited liability and is engaged in investment holding. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

The Company and its subsidiaries (the "Group") are principally engaged in content production, online streaming services, online gaming services and manufacturing and sales of accessories.

The Company had its listing on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

This condensed consolidated interim financial information is presented in thousands of Renminbi ("RMB"), unless otherwise stated. This interim financial information has been approved for issue by the board of directors of the Company on 28 August 2026.

This interim financial information has not been audited.

2 BASIS OF PREPARATION

This interim financial information for the six months ended 30 June 2026 ("Interim Financial Information") has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

3 ACCOUNTING POLICIES

The Interim Financial Information does not include all the notes of the type normally included in an annual financial report. Accordingly, the Interim Financial Information is to 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, and any public announcements made by the Group during the interim reporting period.

3 ACCOUNTING POLICIES (Continued)

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of amended standards as set out below.

(a) Amendments adopted by the Group

The following amendments to standards are mandatory for the Group's financial year beginning on 1 January 2026:

HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments (amendments)
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards — Volume11
HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity (amendments)
HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37	Disclosures about Uncertainties in the Financial statements (amendments)

The adoption of the above amendments did not have any significant impact on the Group's accounting policies and did not require retrospective adjustments.

(b) New and amended standards and interpretations that have been issued but are not effective for the financial year beginning on 1 January 2026 and have not been early adopted by the Group

		Effective for annual periods beginning on or after
HKFRS 18	Presentation and Disclosure in Financial Statements (new standard)	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures (new standard and amendments)	1 January 2027
HKAS 21	Translation to a Hyperinflationary Presentation Currency (amendments)	1 January 2027
HK Int 5	Hong Kong Interpretation 5 Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (amendments)	1 January 2027
HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amendments)	To be determined

The Group has already commenced an assessment of the impact of these new or revised standards, interpretations and amendments. According to the preliminary assessment made by the directors, no significant impact on the financial performance and position of the Group is expected when they become effective. Except that certain pervasive changes in the presentation and disclosure may be restated upon the adoption of HKFRS 18.

3 ACCOUNTING POLICIES (Continued)

(b) New and amended standards and interpretations that have been issued but are not effective for the financial year beginning on 1 January 2026 and have not been early adopted by the Group (Continued)

HKFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)

HKFRS 18 will replace HKAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements. The Group does not expect there to be a significant change in the information because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT

The preparation of the interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2025.

5 FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management procedures focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the Group's financial performance.

The interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2025.

There have been no changes in the Group's risk management policies since 31 December 2025.

5 FINANCIAL RISK MANAGEMENT (Continued)

5.2 Credit risk

The Group is exposed to credit risk in relation to its financial assets at fair value through other comprehensive income ("FVOCI"), trade and other receivables and cash and cash equivalents.

The carrying amounts of financial asset at FVOCI, trade and other receivables and cash and cash equivalents represent the Group's maximum exposure to credit risk in relation to financial assets.

(a) Risk management

As at 30 June 2026 and 31 December 2025, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the condensed consolidated statement of financial position.

As at 30 June 2026 and 31 December 2025, 66% and 63% of the total trade receivables was due from the Group's five largest customers. The directors of the Company consider these counterparties with good credit worthiness based on their past repayment history. The directors closely monitor the subsequent settlement of the customers. The Group does not grant long credit period to the counterparties.

In order to minimise the credit risk, management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade receivables at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

Substantially all of the Group's bank deposits are deposited with major financial institutions incorporated in Chinese Mainland and Hong Kong, which management believes are of high credit quality without significant credit risk.

(b) Impairment of financial assets

The Group has the following types of financial asset that is subject to the expected credit loss models:

- Cash and cash equivalents
- Financial assets at FVOCI
- Trade receivables
- Other receivables and deposits

While cash and cash equivalents and financial assets at FVOCI were also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

5 FINANCIAL RISK MANAGEMENT (Continued)

5.2 Credit risk (Continued)

(b) Impairment of financial assets (Continued)

Trade receivables

The Group applies the HKFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The Group measures the expected credit losses on a combination of both individual and collective basis.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics.

Measurement of expected credit loss on individual basis

Trade receivables with known insolvencies are assessed individually for impairment allowances and are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments. As at 30 June 2026, the balance of loss allowance in respect of these individually assessed receivables was approximately RMB62,616,000 (as at 31 December 2025: RMB62,616,000).

Measurement of expected credit loss on collective basis

Expected credit losses are also estimated by grouping the remaining receivables based on shared credit risk characteristics and collectively assessed for likelihood of recovery, taking into account the nature of the customer, its geographical location and its ageing category, and applying the expected credit loss rates to the respective gross carrying amounts of the receivables.

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped into below groups based on shared credit risk characteristics:

— State-owned companies and listed companies

For trade receivables from state-owned companies and/or listed companies and their subsidiaries, the management uses modelling approach that incorporated key parameters and assumptions, including probability of default, loss given default, exposure at default, with reference to external information from reputable external agencies such as Moody's.

5 FINANCIAL RISK MANAGEMENT (Continued)

5.2 Credit risk (Continued)

(b) Impairment of financial assets (Continued)

Trade receivables (Continued)

Measurement of expected credit loss on collective basis (Continued)

— Other customers

For trade receivables from other customers being private companies that are neither state-owned or listed, the expected loss rates are based on the corresponding historical credit losses experienced, industry credit loss rates and aging profiles of trade receivables over a period before 30 June 2026 or 1 January 2026 respectively within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and urban per capita disposable income of the Chinese Mainland in which the Group sells its goods and services to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in this factor.

As at 30 June 2026, the amount of loss allowance in respect of these collectively assessed receivables was approximately RMB299,375,000 (as at 31 December 2025: RMB264,995,000).

Impairment losses on trade receivables are presented as 'net impairment losses on financial assets' in the consolidated statement of profit or loss and other comprehensive income.

Other receivables and deposits

For other receivables and deposits, the expected credit loss is based on 12 months expected loss. It is the portion of lifetime expected credit loss that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime expected credit loss.

The Directors consider the probability of default upon initial recognition of assets and whether there has been significant increase in credit risk on an ongoing basis. To assess whether there is a significant increase in credit risk, the Group compares risk of a default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition.

Especially the following indicators are incorporated:

- external credit rating;
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the customer's ability to meet its obligations; and
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers and changes in the operating results of the borrower.

5 FINANCIAL RISK MANAGEMENT (Continued)

5.2 Credit risk (Continued)

(b) Impairment of financial assets (Continued)

Other receivables and deposits (Continued)

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment. Under such case, the other receivables are classified as stage 2 and subject to lifetime expected losses provision. When the other receivables became past due for more than 90 days, they are treated as credit-impaired and therefore classified as stage 3.

A default on a financial asset is when the counterparty fails to make contractual payments when they fall due.

Management uses three categories for other receivables which reflect their credit risk and how the loss provision is determined for each of those categories.

A summary of the assumptions underpinning the Group's expected credit loss model on other receivables is as follows:

Category	The Group's definition of category	Basis for recognition of expected credit loss provision
Stage 1	Other receivables whose credit risk is in line with original expectations.	12 month expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime
Stage 2	Other receivables for which a significant increase in credit risk has occurred compared to original expectations; a significant increase in credit risk is presumed or adverse changes in solvency and operational capabilities.	Lifetime expected losses
Stage 3	It becomes probable a customer will enter bankruptcy.	Lifetime expected losses

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of debtors and adjusts for forward-looking macroeconomic data.

5 FINANCIAL RISK MANAGEMENT (Continued)

5.2 Credit risk (Continued)

(b) Impairment of financial assets (Continued)

Other receivables and deposits (Continued)

The loss allowance for trade and other receivables as at 30 June 2026 and 31 December 2025 reconcile to the opening loss allowance as follows:

	Trade receivables RMB'000	**Other receivables and deposits** RMB'000	**Total** RMB'000
Balance as at 1 January 2025	296,804	82,935	379,739
Provision for impairment loss	30,812	124,671	155,483
Exchange differences	(5)	(219)	(224)
Balance as at 31 December 2025 (Audited)	327,611	207,387	534,998
Balance as at 1 January 2026	**327,611**	**207,387**	**534,998**
Provision for impairment loss	**34,375**	**3,891**	**38,266**
Exchange differences	**5**	**(331)**	**(326)**
Balance as at 30 June 2026 (Unaudited)	**361,991**	**210,947**	**572,938**

5 FINANCIAL RISK MANAGEMENT (Continued)

5.2 Credit risk (Continued)

(b) Impairment of financial assets (Continued)

On such basis, the loss allowance as at 30 June 2026 and 31 December 2025 was determined as follows for trade receivables:

	Up to 3 months past due RMB'000	3 to 6 months past due RMB'000	6 to 12 months past due RMB'000	Over 1 year past due RMB'000	Total RMB'000
As at 30 June 2026 (Unaudited)					
On collective basis					
Expected loss rate	**0.25%**	**0.43%**	**1.21%**	**16.46%**	**9.85%**
Gross carrying amount	**755,283**	**150,697**	**354,824**	**1,777,187**	**3,037,991**
Loss allowance provision	**1,892**	**652**	**4,278**	**292,553**	**299,375**
On individual basis					
Expected loss rate	**–**	**–**	**–**	**100.00%**	**100.00%**
Gross carrying amount	**–**	**–**	**–**	**62,616**	**62,616**
Loss allowance provision	**–**	**–**	**–**	**62,616**	**62,616**
Total					
Expected loss rate	**0.25%**	**0.43%**	**1.21%**	**19.30%**	**11.67%**
Gross carrying amount	**755,283**	**150,697**	**354,824**	**1,839,803**	**3,100,607**
Loss allowance provision	**1,892**	**652**	**4,278**	**355,169**	**361,991**
As at 31 December 2025 (Audited)					
On collective basis					
Expected loss rate	0.32%	1.23%	2.57%	21.24%	9.52%
Gross carrying amount	678,062	245,090	724,047	1,135,780	2,782,979
Loss allowance provision	2,151	3,020	18,636	241,188	264,995
On individual basis					
Expected loss rate	–	–	–	100.00%	100.00%
Gross carrying amount	–	–	–	62,616	62,616
Loss allowance provision	–	–	–	62,616	62,616
Total					
Expected loss rate	0.32%	1.23%	2.57%	25.35%	11.51%
Gross carrying amount	678,062	245,090	724,047	1,198,396	2,845,595
Loss allowance provision	2,151	3,020	18,636	303,804	327,611

5 FINANCIAL RISK MANAGEMENT (Continued)

5.2 Credit risk (Continued)

(b) Impairment of financial assets (Continued)

On such basis, the loss allowance as at 30 June 2026 and 31 December 2025 was determined as follows for other receivables:

	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Total RMB'000
As at 30 June 2026 (Unaudited)				
Gross carrying amount				
Receivables from investment in film and television programmes rights	847,452	–	110,836	958,288
Loans to third parties	245,314	–	49,991	295,305
Amounts due from related parties	18,304	–	–	18,304
Others	51,367	–	41,032	92,399
	1,162,437	–	201,859	1,364,296
Loss allowance				
Receivables from investment in film and television programmes rights	7,793	–	110,836	118,629
Loans to third parties	432	–	49,991	50,423
Amounts due from related parties	166	–	–	166
Others	697	–	41,032	41,729
	9,088	–	201,859	210,947
Expected credit loss rate	0.78%	–	100.00%	15.46%

5 FINANCIAL RISK MANAGEMENT (Continued)

5.2 Credit risk (Continued)

(b) Impairment of financial assets (Continued)

	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Total RMB'000
As at 31 December 2025 (Audited)				
Gross carrying amount				
Receivables from investments in film and television programmes rights	889,008	—	114,036	1,003,044
Receivables from redemption of investments funds	237,770	—	—	237,770
Loans to third parties	219,551	—	38,720	258,271
Amounts due from related parties	16,338	—	—	16,338
Others	54,385	—	41,259	95,644
	1,417,052	—	194,015	1,611,067
Loss allowance				
Receivables from investments in film and television programmes rights	10,481	—	114,036	124,517
Loans to third parties	2,012	—	38,720	40,732
Amounts due from related parties	133	—	—	133
Others	746	—	41,259	42,005
	13,372	—	194,015	207,387
Expected credit loss rate	0.94%	—	100.00%	12.87%

5 FINANCIAL RISK MANAGEMENT (Continued)

5.3 Capital risk management

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to equity owners, issue new shares or sell assets to reduce debt.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for equity owners and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total borrowings divided by total assets, as shown in the consolidated statements of financial position. Total borrowings include borrowings, lease liabilities and convertible bonds.

The gearing ratios as at 30 June 2026 and 31 December 2025 were as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Total borrowings, lease liabilities and convertible bonds	**4,557,624**	2,706,633
Total assets	**32,216,974**	30,260,321
Gearing ratio	**14%**	9%

Increase in gearing ratio as at 30 June 2026 compared to 31 December 2025 was primarily attributable to the issuance of convertible bonds in February 2026.

5 FINANCIAL RISK MANAGEMENT (Continued)

5.4 Fair value estimation

(a) Fair value hierarchy

The following table presents the Group's financial assets and liability measured and recognised at fair value as at 30 June 2026 and 31 December 2025 on a recurring basis:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As at 30 June 2026 (Unaudited)				
Financial assets				
Financial assets at fair value through profit or loss ("FVPL") (Note 13)				
— Film rights investments	—	—	115,393	115,393
— Investments in listed equity securities	77,608	—	—	77,608
— Investments in unlisted funds	—	355,887	8,322,550	8,678,437
— Investments in unlisted companies	—	2,009,625	303,766	2,313,391
— Investments in unlisted bonds	—	25,949	—	25,949
	77,608	2,391,461	8,741,709	11,210,778
Financial assets at FVOCI				
— Listed fund	486	—	—	486
	78,094	2,391,461	8,741,709	11,211,264
As at 30 June 2026 (Unaudited)				
Financial liability				
Contingent consideration payable	—	—	377,000	377,000

5 FINANCIAL RISK MANAGEMENT (Continued)

5.4 Fair value estimate (Continued)

(a) Fair value hierarchy (Continued)

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As at 31 December 2025 (Audited)				
Financial assets				
Financial assets at FVPL (Note 13)				
— Film rights investments	—	—	64,648	64,648
— Investments in listed equity securities	206,362	—	—	206,362
— Investments in unlisted funds	—	397,978	4,606,026	5,004,004
— Investments in unlisted companies	—	2,378,377	193,479	2,571,856
— Investments in unlisted bonds	—	27,310	—	27,310
	206,362	2,803,665	4,864,153	7,874,180
Financial assets at FVOCI				
— Listed fund	513	—	—	513
	206,875	2,803,665	4,864,153	7,874,693
As at 31 December 2025 (Audited)				
Financial liability				
Contingent consideration payable	—	—	17,000	17,000

5 FINANCIAL RISK MANAGEMENT (Continued)

5.4 Fair value estimate (Continued)

(a) Fair value hierarchy (Continued)

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. The Group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 30 June 2026 and 31 December 2025.

Financial instruments that are measured in the condensed consolidated statement of financial position at fair value are disclosed by level of the following fair value measurement hierarchy:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and for instruments where climate risk gives rise to a significant unobservable adjustment.

6 SEGMENT INFORMATION

(a) Description of segments and principal activities

The chief operating decision-makers (the "CODM") of the Group has been identified as the executive directors of the Company who is responsible for reviewing the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The directors of the Company assess the performance of the operating segments based on a measure of segment results. Certain corporate expenses, other gains -net and finance costs-net are not included in the results for each operating segment.

The Group's three reportable segments now comprised (1) Content production business; (2) Online streaming and online gaming businesses; and (3) Other businesses.

6 SEGMENT INFORMATION (Continued)

(b) Segment profit/(loss)

The segment results and other segment items included in the interim condensed consolidated statement of profit or loss and other comprehensive income for the six months ended 30 June 2026 are as follows:

	Content Production business RMB'000 (Unaudited)	Online streaming and online gaming businesses RMB'000 (Unaudited)	Other businesses RMB'000 (Unaudited)	Consolidated RMB'000 (Unaudited)
Revenue				
Timing of revenue recognition				
— At a point	327,540	4,159	16,552	348,251
— Over time	—	834,833	—	834,833
	327,540	838,992	16,552	1,183,084
Segment profit/(loss)	715,403	209,450	(577)	924,276
Unallocated corporate expenses				(35,151)
Unallocated other gains — net				33,961
Unallocated finance cost — net				(71,222)
Profit before income tax				851,864
Depreciation of property, plant and equipment	7,912	7,035	97	15,044
Depreciation of right-of-use assets	8,226	7,300	1,811	17,337
Amortisation of other intangible assets	3	19,110	—	19,113
Amortisation of film and television programmes rights	310,632	278,753	—	589,385
Share of loss/(profit) of associates accounted for using the equity method	7,445	(43,877)	—	(36,432)

6 SEGMENT INFORMATION (Continued)

(b) Segment profit/(loss) (Continued)

The segment results and other segment items included in the interim condensed consolidated statement of profit or loss and other comprehensive income for the six months ended 30 June 2025 are as follows:

	Content Production business RMB'000 (Unaudited)	Online streaming and online gaming businesses RMB'000 (Unaudited)	Other businesses RMB'000 (Unaudited)	Inter segment transactions RMB'000 (Unaudited)	Consolidated RMB'000 (Unaudited)
Revenue					
Timing of revenue recognition					
— At a point	569,898	348,585	20,290	—	938,773
— Over time	—	1,359,476	—	(92,000)	1,267,476
	569,898	1,708,061	20,290	(92,000)	2,206,249
Segment profit	647,299	823,417	2,002	—	1,472,718
Unallocated corporate expenses					(40,074)
Unallocated other gains — net					57,950
Unallocated finance cost — net					(12,453)
Profit before income tax					1,478,141
Depreciation of property, plant and equipment	7,451	3,569	106	—	11,126
Depreciation of right-of-use assets	6,362	5,968	3,697	—	16,027
Amortisation of other intangible assets	3	3,235	—	—	3,238
Amortisation of film and television programmes rights	344,061	382,165	—	—	726,226
Share of loss/(profit) of associates accounted for using the equity method	381	(95,040)	—	—	(94,659)

6 SEGMENT INFORMATION (Continued)

(c) Segment assets and liabilities

Segment assets and liabilities as at 30 June 2026 are as follows:

	Content production business RMB'000 (Unaudited)	Online streaming and online gaming businesses RMB'000 (Unaudited)	Other businesses RMB'000 (Unaudited)	Consolidated RMB'000 (Unaudited)
Assets				
Segment assets	9,284,207	5,501,454	20,460	14,806,121
Unallocated property, plant and equipment				766
Unallocated right-of-use assets				1,801
Unallocated prepayments, other receivables and deposits				658,115
Financial assets at FVPL				11,210,778
Financial assets at FVOCI				486
Deferred tax assets				100,882
Cash and cash equivalents				5,438,025
Consolidated total assets				32,216,974
Liabilities				
Segment liabilities	(1,651,522)	(1,430,925)	(14,061)	(3,096,508)
Unallocated other payables				(10,192)
Unallocated lease liabilities				(2,024)
Unallocated borrowings				(172,307)
Convertible bonds				(4,038,199)
Current income tax liabilities				(392,167)
Deferred tax liabilities				(431,486)
Consolidated total liabilities				(8,142,883)

6 SEGMENT INFORMATION (Continued)

(c) Segment assets and liabilities (Continued)

Segment assets and liabilities as at 31 December 2025 are as follows:

	Content production business RMB'000 (Audited)	Online streaming and online gaming businesses RMB'000 (Audited)	Other businesses RMB'000 (Audited)	Consolidated RMB'000 (Audited)
Assets				
Segment assets	9,246,685	5,109,113	20,762	14,376,560
Unallocated property, plant and equipment				1,491
Unallocated right-of-use assets				2,997
Unallocated prepayments, other receivables and deposits				664,879
Financial assets at FVPL				7,874,180
Financial assets at FVOCI				513
Deferred tax assets				95,917
Term deposits				957,718
Cash and cash equivalents				6,286,066
Consolidated total assets				30,260,321
Liabilities				
Segment liabilities	(1,877,161)	(1,132,489)	(15,353)	(3,025,003)
Unallocated trade and other payables				(13,310)
Unallocated lease liabilities				(3,335)
Unallocated borrowings				(442,543)
Convertible bonds				(1,922,522)
Current income tax liabilities				(571,217)
Deferred tax liabilities				(436,668)
Consolidated total liabilities				(6,414,598)

6 SEGMENT INFORMATION (Continued)

(c) Segment assets and liabilities (Continued)

For the purpose of monitoring segment performances and allocating resources between segments:

- all assets are allocated to reportable and operating segments, other than certain property, plant and equipment, prepayments, other receivables and deposits, right-of-use assets, financial assets at FVPL, financial assets at FVOCI, deferred tax assets, term deposits, and cash and cash equivalents; and

- all liabilities are allocated to reportable and operating segments, other than certain trade and other payables, lease liabilities, borrowings, convertible bonds, current income tax liabilities and deferred tax liabilities.

(d) Disaggregation of revenue from contracts with customers

Revenue of the Group is analysed as follows:

	Six months ended	
	30 June 2026 RMB'000 (Unaudited)	30 June 2025 RMB'000 (Unaudited)
Content production	**327,540**	569,898
Online streaming services	**80,193**	405,630
Online gaming services	**758,799**	1,210,431
Sales of goods	**16,552**	20,290
	1,183,084	2,206,249

6 SEGMENT INFORMATION (Continued)

(e) Geographical information

The Group's operations are located in the Chinese Mainland and Hong Kong for the six months ended 30 June 2026 and 2025.

Information about the Group's revenue from external customers is presented based on the location at which the goods or services are delivered or provided.

The Group's total revenue from sales of goods and provision of services by geographical location is detailed below:

	Six months ended	
	30 June 2026 RMB'000 (Unaudited)	30 June 2025 RMB'000 (Unaudited)
Chinese Mainland	**1,166,533**	2,187,180
Europe	**10,436**	8,542
Hong Kong	**4,686**	5,054
Others	**1,429**	5,473
	1,183,084	2,206,249

The Group's non-current assets excluding financial instruments and deferred tax assets by geographical location of the assets are detailed below:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Chinese Mainland	**8,761,753**	8,420,086
Hong Kong	**3,569**	5,560
Others	**8,075**	9,091
	8,773,397	8,434,737

7 PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS, OTHER INTANGIBLE ASSETS AND GOODWILL

	Property, plant and equipment RMB'000	Right-of-use assets RMB'000	Other intangible assets RMB'000	Goodwill RMB'000
Six months ended 30 June 2025				
Opening net book amount as at 1 January 2025	92,177	63,613	715,570	4,443,665
Additions	5,378	16,194	—	—
Currency translation differences	2	(70)	—	—
Disposal	—	(1,166)	—	—
Depreciation and amortisation charges (Note 21)	(11,126)	(16,027)	(3,238)	—
Closing net book amount as at 30 June 2025 (Unaudited)	86,431	62,544	712,332	4,443,665
Six months ended 30 June 2026				
Opening net book amount as at 1 January 2026	**80,350**	**56,467**	**743,097**	**4,443,665**
Additions	**9,281**	**21,191**	**35,854**	**—**
Currency translation differences	**(63)**	**(376)**	**—**	**—**
Disposal	**(153)**	**(5,638)**	**—**	**—**
Depreciation and amortisation charges (Note 21)	**(15,044)**	**(17,337)**	**(19,113)**	**—**
Closing net book amount as at 30 June 2026 (Unaudited)	**74,371**	**54,307**	**759,838**	**4,443,665**

8 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	Six months ended	
	30 June 2026	30 June 2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
At the beginning of the period	**1,712,143**	33,799
Additions (a)	**633,750**	825,000
Dividend received	**(99,000)**	—
Share of profit of associates accounted for using the equity method	**36,432**	94,659
At the end of the period	**2,283,325**	953,458

(a) Total additions of approximately RMB633,750,000 during the six months ended 30 June 2026 were comprised of:

	RMB'000
— Chengdu Xiaozhi Youchuang Technology Co., Ltd. ("Xiaozhi") (Note i)	600,000
— Kabum (Beijing) Technology Co., Ltd. ("Kabum") (Note ii)	33,750
Total	633,750

(i) In January 2026, the Group completed its acquisition of 45% equity interest of Chengdu Xiaozhi Youchuang Technology Co., Ltd. ("Xiaozhi"), which mainly engaged in the development of mobile games, for total considerations of approximately RMB600,000,000 comprising:

(1) Transfer of principal and interest elements of loan to third parties amounting to approximately RMB92,060,000;

(2) Cash consideration of approximately RMB97,940,000, which has been fully paid during the six months ended 30 June 2026; and

(3) Contingent considerations of approximately RMB410,000,000 arising from a contractual provision under which the Group has the right to withhold payment if any financial plan submitted by Xiaozhi materially deviates from the business plan, with such right, approximately RMB160,000,000 exercisable within twelve months from 30 June 2026 and approximately RMB250,000,000 exercisable more than twelve months from 30 June 2026, respectively. During the six months ended 30 June 2026, the Group had paid approximately RMB50,000,000 out of the aforementioned contingent considerations, with remaining balances of approximately RMB360,000,000 payable as of 30 June 2026.

8 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

(a) Total additions of approximately RMB633,750,000 during the six months ended 30 June 2026 were comprised of: (Continued)

(ii) In April 2026, the Group completed its acquisition of 7.43% equity interest of Kabum, which mainly engaged in the development of mobile games, for total cash consideration of approximately RMB33,750,000 which were fully settled during the six months ended 30 June 2026. The Group holds less than 20% of the ownership interest of the entity, however the Group has significant influence in the entity as the Group has the right to appoint director to the board of the entity.

During the six months ended 30 June 2026, the total investing cash outflow totaling approximately RMB181,690,000 in respect of the acquisitions of Xiaozhi and Kabum amounted to approximately RMB147,940,000 and RMB33,750,000, respectively, as detailed above.

9 PREPAYMENTS AND OTHER NON-FINANCIAL ASSETS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Current portion		
Prepayments for:		
— Film and television programmes rights	**159,842**	129,840
— Gaming production, distribution and promotion fees	**263,008**	248,004
Prepayments to related parties (Note 26(d))		
— Film and television programmes rights	**7,941**	7,241
— Revenue sharing to content providers	**26,800**	21,178
Deductible value-added tax	**21,558**	26,185
Others	**11,593**	8,491
	490,742	440,939
Non-current portion		
Prepayments for:		
— Licensed film and television programmes rights	**40,417**	16,984
— Film and television programmes rights	**23,537**	23,400
	63,954	40,384
Total	**554,696**	481,323

10 OTHER RECEIVABLES AND DEPOSITS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Amounts due from related parties (Note 26(d))	**18,304**	16,338
Receivables from investments in film and television programmes rights (a)	**958,288**	1,003,044
Loans to third parties (b)	**295,305**	258,271
Receivables from redemption of investments funds	**—**	237,770
Others	**92,399**	95,644
	1,364,296	1,611,067
Less: Impairment for other receivables and deposits (Note 5.2(b))	**(210,947)**	(207,387)
	1,153,349	1,403,680
Less: non-current portion	**(7,080)**	(5,457)
	1,146,269	1,398,223

(a) The balances are unsecured, interest-bearing at fixed rates between 5% to 15%, and repayable within 12 months.

(b) As at 30 June 2026 and 31 December 2025, the balances are interest-bearing at fixed rates between 3% to 6% and repayable within 12 months commencing from the date of loans. As at 30 June 2026, Balances of RMB190,000,000 (as at 31 December 2025: RMB100,000,000) are secured with certain equity or assets and the remaining are unsecured.

11 FILM AND TELEVISION PROGRAMMES RIGHTS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Film and television programmes rights completed	975,582	907,184
Film and television programmes rights under production	2,284,282	2,286,083
Licensed film and television programmes rights	141,754	410,912
	3,401,618	3,604,179
Less: Current portion	(2,314,761)	(2,251,005)
	1,086,857	1,353,174

	Film and television programmes rights completed RMB'000	Film and television programmes rights under production RMB'000	Licensed film and television programmes rights RMB'000	Total RMB'000
As at 1 January 2026	907,184	2,286,083	410,912	3,604,179
Additions	135,002	242,227	8,176	385,405
Transfer from prepayment	—	—	1,419	1,419
Amortisation (Note 21)	(310,632)	—	(278,753)	(589,385)
Transfer	244,028	(244,028)	—	—
As at 30 June 2026 (Unaudited)	975,582	2,284,282	141,754	3,401,618
As at 1 January 2025	790,785	2,163,047	794,614	3,748,446
Additions	128,217	180,963	356,061	665,241
Transfer from prepayment	85,755	—	176,701	262,456
Amortisation (Note 21)	(78,061)	—	(648,165)	(726,226)
Transfer	291,504	(291,504)	—	—
As at 30 June 2025 (Unaudited)	1,218,200	2,052,506	679,211	3,949,917

12 TRADE RECEIVABLES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade receivables from related parties (Note 26(d))	**1,007,388**	822,507
Trade receivables from third parties	**2,093,219**	2,023,088
	3,100,607	2,845,595
Less: allowance for impairment of trade receivables (Note 5.2(b))	**(361,991)**	(327,611)
	2,738,616	2,517,984

(a) Trade receivables mainly arose from the provision of content production, online gaming and online streaming services. The following is an ageing analysis of trade receivables net of allowance for impairment, based on the recognition date at the end of the reporting period.

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 90 days	**753,391**	675,911
91 days to 180 days	**150,045**	242,070
181 days to 365 days	**350,546**	705,411
Over 1 year	**1,484,634**	894,592
	2,738,616	2,517,984

13 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Non-current assets		
Investments in unlisted funds	**2,603,714**	1,706,143
Investments in unlisted companies	**2,313,391**	2,571,856
	4,917,105	4,277,999
Current assets		
Film rights investments	**115,393**	64,648
Investments in listed equity securities	**77,608**	206,362
Investments in unlisted bonds	**25,949**	27,310
Investment in unlisted funds	**6,074,723**	3,297,861
	6,293,673	3,596,181
Total	**11,210,778**	7,874,180

Movement in the Group's financial assets of fair value through profit or loss were as follows:

	Six months ended	
	30 June 2026 RMB'000 (Unaudited)	30 June 2025 RMB'000 (Unaudited)
At the beginning of the period	**7,874,180**	3,988,730
Additions (a)	**14,687,146**	1,973,323
Disposals (b)	**(11,741,498)**	(69,813)
Dividend income realised (Note 24)	**48,435**	—
Dividend received	**(35,692)**	—
Fair value changes (Note 24)	**634,372**	487,502
Currency translation differences	**(256,165)**	(9,364)
At the end of the period	**11,210,778**	6,370,378

(a) For the six months ended 3o June 2026, additions in financial assets of fair value through profit or loss primarily comprised: (i) approximately RMB11,575,857,000 addition in investments in listed equity securities; (ii) approximately RMB3,057,163,000 addition in investments in unlisted companies and unlisted funds.

(b) For the six months ended 3o June 2026, disposals in financial assets of fair value through profit or loss primarily comprised approximately RMB11,715,846,000 disposal in investments in listed equity securities.

14 SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES

Ordinary shares, issued and fully paid:

	Number of ordinary shares	Share capital RMB'000	Share premium RMB'000	Treasury shares RMB'000
As at 1 January 2025 (Audited)	14,338,926,852	273,444	17,069,660	—
Issuance of ordinary shares (a)				
— Share placing	1,144,514,767	21,110	2,479,772	—
— Acquisition of Beijing Yonghang	36,666,667	682	81,783	—
	1,181,181,434	21,792	2,561,555	—
As at 30 June 2025 (Unaudited)	15,520,108,286	295,236	19,631,215	—
As at 31 December 2025 and 1 January 2026 (Audited)	16,800,614,615	318,541	22,673,729	—
Repurchase of shares (b)	—	—	—	(319,752)
As at 30 June 2026 (Unaudited)	16,800,614,615	318,541	22,673,729	(319,752)

(a) In January 2025, the Company entered into subscription agreements with the expiry date of 28 July 2025, pursuant to which a maximum of 1,635,021,096 placing shares could be issued at the subscription prices of HK$2.37 per share, and a total of 1,144,514,767 placing shares were issued during the six months ended 30 June 2025 with gross proceeds of approximately HK$2,712,500,000 (equivalent to approximately RMB2,501,583,000). After netting off these gross proceeds with share issuance costs, the respective share capital amount was approximately RMB 21,110,000 and share premium arisen from the issuance was approximately RMB2,479,772,000. The share issuance costs mainly included lawyers' fees and other related costs, which were incremental costs directly attributable to the issuance of the new shares. These share issuance costs were treated as a deduction against the share premium arising from the issuance.

In April 2025, the Company issued 36,666,667 shares at the subscription prices of HK$2.432 per share as part of the consideration for the acquisition of Beijing Yonghang Technology Co., Ltd. ("Beijing Yonghang"). The respective share capital amount was approximately RMB682,000 and share premium arisen from the issuance was approximately RMB81,783,000. The share issuance costs mainly included lawyers' fees and other related costs, which were incremental costs directly attributable to the issuance of the new shares and therefore treated as a deduction against the share premium arising from the issuance.

14 SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES (Continued)

(b) During the six months ended 30 June 2026, the Company repurchased an aggregate number of 254,964,000 of its own shares from the market, none of which had not been cancelled as at 30 June 2026. The shares were repurchased at prices ranging from HKD1.33 to HKD1.52 per share, with an average price of HKD1.44 per share. The total amount paid to repurchase these ordinary shares was HKD366,703,000 (equivalent to approximately RMB319,752,000)

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

15 OTHER RESERVES

	Financial assets at FVOCI RMB'000	Special reserve RMB'000	Capital Surplus RMB'000	Translation reserve RMB'000	Statutory reserve (Note(a)) RMB'000	Share option reserve RMB'000	Reserve fund RMB'000	Enterprise expansion reserve RMB'000	Convertible bonds reserve RMB'000	Total RMB'000
Six months ended 30 June 2025										
Balance as at 1 January 2025	(334)	18,888	9,471	(236,412)	6,368	249,450	1,153	1,152	–	49,736
Changes in the fair value of debt instruments at FVOCI	11	–	–	–	–	–	–	–	–	11
Currency translation differences	(8)	–	–	(24,614)	–	–	–	–	–	(24,622)
Employees share option scheme:										
– share-based compensation expenses (Note (b))	–	–	–	–	–	26,775	–	–	–	26,775
Issuance of convertible bonds (Note 20)	–	–	–	–	–	–	–	–	195,915	195,915
Balance as at 30 June 2025 (Unaudited)	(331)	18,888	9,471	(261,026)	6,368	276,225	1,153	1,152	195,915	247,815

15 OTHER RESERVES (Continued)

	Financial assets at FVOCI RMB'000	Special reserve RMB'000	Capital Surplus RMB'000	Translation reserve RMB'000	Statutory reserve (Note(a)) RMB'000	Share option reserve RMB'000	Reserve fund RMB'000	Enterprise expansion reserve RMB'000	Capital reserve RMB'000	Convertible bonds reserve RMB'000	Total RMB'000
Six months ended 30 June 2026											
Balance as at 1 January 2026	(337)	18,888	9,471	(404,714)	6,368	299,767	1,153	1,152	–	195,915	127,663
Changes in the fair value of debt instruments at FVOCI	(8)	–	–	–	–	–	–	–	–	–	(8)
Currency translation differences	(19)	–	–	(334,307)	–	–	–	–	–	–	(334,326)
Employees share option scheme:											
– share-based compensation expenses (Note (b))	–	–	–	–	–	14,466	–	–	–	–	14,466
Issuance of convertible bonds (Note 20(a))	–	–	–	–	–	–	–	–	–	37,589	37,589
Repurchase of convertible bonds (Note 20(b))	–	–	–	–	–	–	–	–	519	(714)	(195)
Balance as at 30 June 2026 (Unaudited)	(364)	18,888	9,471	(739,021)	6,368	314,233	1,153	1,152	519	232,790	(154,811)

(a) Pursuant to the relevant laws and regulations in the Chinese Mainland and the provision of the articles of association of the Group's subsidiaries, the Group's subsidiaries which are registered in the Chinese Mainland shall appropriate 10% of its profit after tax (after offsetting any accumulated losses brought forward from prior years), as determined in accordance with Accounting Standards for Business Enterprises and other applicable regulations, to the statutory surplus reserve until such reserve reaches 50% of its registered capital. Depending on the natures, the reserve fund can be used to set off accumulated losses of the subsidiaries or distribute to owners in form of bonus issue.

(b) The share option reserve represents the fair value of the number of unexercised share options granted to employees of the Company recognised.

16 BORROWINGS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Non-current other borrowings:		
— Unsecured with guarantee (Note (a))	**71,272**	69,398
Current bank and other borrowings:		
— Unsecured with guarantee — other borrowing	**22,520**	22,520
— Unsecured without guarantee — other borrowing (Note (b))	**172,307**	442,543
— Unsecured with guarantee — bank borrowing (Note (c))	**144,500**	65,000
— Secured bank borrowings (Note (d))	**52,900**	133,500
	392,227	663,563
Total borrowings	**463,499**	732,961

(a) As at 30 June 2026 and 31 December 2025, the borrowing was denominated in RMB with fixed interest rate of 7.5% per annum and guaranteed by Mr. Ke, a director of the Company. The repayment date of the borrowing is October 2027.

(b) As at 30 June 2026 and 31 December 2025, the borrowing was denominated in HK$ and non-interest bearing. The entire borrowing was originally repayable in August 2026. In December 2024, the lender agreed to reduce the principal amount in exchange for an accelerated payment schedule, with certain installments amounting. As at 30 June 2026, the loan of approximately RMB270,236,000 was repaid on time according to the contract, with approximately RMB172,307,000 left to be repaid in August 2026.

(c) As at 30 June 2026, the borrowing is denominated in RMB with fixed interest rate of 2.5% to 2.99% per annum (as at 31 December 2025: 2.5% to 2.9%), and repayable within 1 year.

16 BORROWINGS (Continued)

(d) As at 30 June 2026, the borrowings were denominated in RMB with fixed interest rate 2.75% per annum(as at 31 December 2025: 2.80% to 2.90%). The borrowings were secured by certain trade receivables, and repayable within 1 year.

The Group's borrowings were repayable as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 1 year	**392,227**	663,563
Between 1 and 3 years	**71,272**	69,398
	463,499	732,961

17 TRADE PAYABLES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade payables to:		
— Third parties	**377,758**	453,502
— Related parties (Note 26(d))	**50,177**	77,357
	427,935	530,859

17 TRADE PAYABLES (Continued)

The ageing analysis of trade payables of the Group based on invoice date are as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 60 days	**91,360**	159,085
61 days to 150 days	**24,719**	54,038
Over 151 days	**311,856**	317,736
	427,935	530,859

The carrying amounts of trade payables approximated their fair values as at 30 June 2026 and 31 December 2025.

18 FILM AND TELEVISION PROGRAMMES INVESTMENT FUNDS FROM INVESTORS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Film and television programmes investment funds from investors		
— Third parties	**410,772**	519,373
— Related parties (Note 26(d))	**152,474**	153,763
	563,246	673,136

The amounts represent investments made by certain investors in respect of film and television programmes rights held by the Group. In accordance with the terms of the respective investment agreements, the investors are entitled to recoup their investment amounts as appropriate by the predetermined percentage of income to be generated from the films and television programmes.

The carrying amounts of film and television programmes investment funds from investors approximate their fair values and denominated in RMB.

19 OTHER PAYABLES AND ACCRUALS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Other payables and accrued expenses	43,136	63,342
Payables to gaming developers	740	1,793
Advance receipt of film issuance and production	359,477	437,296
Provisions for other taxes	124,089	100,883
Consideration payable for an investment in an unlisted company	33,000	33,000
Amounts due to related parties in relation to (Note 26(d)):		
— gaming distribution channels	27,758	40,739
— a gaming developer	8,212	13,806
— advance receipt of film issuance and production	101,887	101,887
— film investments funds	7,750	7,771
— consideration payable for an investment in an unlisted company	660,000	660,000
— others	5	5
	1,366,054	1,460,522

Other payables and accruals were denominated in the following currencies:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
— RMB	1,355,151	1,446,141
— HK$	10,903	14,381
	1,366,054	1,460,522

The carrying amounts of other payables approximate their fair values as at 30 June 2026 and 31 December 2025.

20 CONVERTIBLE BONDS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Non-current:		
— 2030 Convertible Bonds (a)	**1,791,118**	1,841,893
Current:		
— 2030 Convertible Bonds (a)	**77,512**	80,629
— 2027 Convertible Bonds (b)	**2,169,569**	—
	2,247,081	80,629
Total convertible bonds	**4,038,199**	1,922,522

(a) 2030 Convertible Bonds

On 22 April 2025, the Company issued convertible bonds (the "2030 Convertible Bonds") with an aggregate principal amount of HKD2,341,000,000 (approximately RMB2,200,000,000). The Convertible Bonds bear an interest of 3.95% per annum payable semi-annually and will mature on 22 April 2030.

Upon the occurrence of certain events specified in the agreement, the bondholders will have the right to require the Company to redeem all or some of such holder's bonds on 28 April 2028 at their principal amount, together with unpaid default interest thereon (if any).

Bondholders may convert their bonds into ordinary shares at any time on or after 2 June 2025 up to 10 trading days prior to 22 April 2030. The conversion shares will be issued upon full conversion of the 2030 Convertible Bonds based on the contracted conversion price of HKD2.704 per share.

20 CONVERTIBLE BONDS (Continued)

(a) 2030 Convertible Bonds (Continued)

The 2030 Convertible Bonds were recognised as a compound instrument comprising liability component and equity component as follows:

- The initial value of the liability component was calculated using a market interest rate for an equivalent non-convertible bond of the Group. Embedded financial derivatives were comprised of the fair value of the holders of the Convertible Bonds to require the Company to redeem the Convertible Bonds and the fair value of the Company's option to redeem the Convertible Bonds. These embedded redemption options are closely related to the host debt as the redemption amount is principal amount together with accrued but unpaid interest, and therefore they do not need to be accounted for separately.

  The initial value of the liability component and the fair value of the embedded redemption options were recognised as a single liability component, and is subsequently carried at amortised cost using the effective interest method; and

- Equity component, being the conversion option of the Convertible Bonds, was initially recognised at the residual amount after deducting the value of the aforesaid liability component from the initial net proceeds.

Interest expense is calculated by applying the effective interest rate of 6.56% per annum to the liability component. The equity component will remain in "convertible bonds reserve" until the embedded conversion option is exercised or the 2030 Convertible Bonds reach their maturities.

20 CONVERTIBLE BONDS (Continued)

(a) 2030 Convertible Bonds (Continued)

The movement of the liability component and the equity component of the 2030 Convertible Bonds for the six months ended 30 June 2026 and 2025 are set out below:

	Liability component RMB'000	Equity component RMB'000	Total RMB'000
As at 1 January 2025	—	—	—
Issuance	1,931,083	195,915	2,126,998
Interest charged	23,721	—	23,721
Exchange differences	(35,131)	—	(35,131)
As at 30 June 2025	1,919,673	195,915	2,115,588
As at 1 January 2026	**1,922,522**	**195,915**	**2,118,437**
Interest charged	**60,810**	**—**	**60,810**
Interest paid	**(40,650)**	**—**	**(40,650)**
Exchange differences	**(74,052)**	**—**	**(74,052)**
As at 30 June 2026	**1,868,630**	**195,915**	**2,064,545**

As at 30 June 2026 and 30 June 2025, no conversion shares had been issued under the 2030 Convertible Bonds. If 2030 Convertible Bonds were fully converted as of 30 June 2026, 865,754,437 shares ordinary shares would have been issued.

(b) 2027 Convertible Bonds

On 2 February 2026, the Company issued convertible bonds (the "2027 Convertible Bonds") with an aggregate principal amount of HKD2,574,000,000 (approximately RMB2,297,000,000). The 2027 Convertible Bonds bear zero coupon interest and will mature on 31 January 2027. The Company will redeem each bond at 101.51% of its aggregate principal amount upon maturity.

Bondholders may convert their bonds into ordinary shares at any time on or after 2 February 2026 up to 10 trading days prior to 31 January 2027. The conversion shares will be issued upon full conversion of the 2027 Convertible Bonds based on the contracted conversion price of HKD2.60 per share.

20 CONVERTIBLE BONDS (Continued)

(b) 2027 Convertible Bonds (Continued)

The 2027 Convertible Bonds were recognised as a compound instrument comprising liability component and equity component as follows:

- The initial value of the liability component was calculated using a market interest rate for an equivalent non-convertible bond of the Group. Embedded financial derivatives were comprised of the fair value of the holders of the Convertible Bonds to require the Company to redeem the Convertible Bonds and the fair value of the Company's option to redeem the Convertible Bonds. These embedded redemption options are closely related to the host debt as the redemption amount is approximately principal amount together with accrued but unpaid interest, and therefore they do not need to be accounted for separately.

  The initial value of the liability component and the fair value of the embedded redemption options were recognised as a single liability component, and is subsequently carried at amortised cost using the effective interest method; and

- Equity component, being the conversion option of the Convertible Bonds, was initially recognised at the residual amount after deducting the value of the aforesaid liability component from the initial net proceeds.

As at the date of issue, the fair value of the liability component and the equity component of the Convertible bonds were set out as below:

	RMB'000
Principal amount	2,297,295
Less: transaction costs	(25,671)
Net proceeds	2,271,624
Liability component	2,234,035
Equity component	37,589
	2,271,624

Interest expense is calculated by applying the effective interest rate of 4.32% per annum to the liability component. The equity component will remain in "convertible bonds reserve" until the embedded conversion option is exercised or the Convertible Bonds reach their maturities.

20 CONVERTIBLE BONDS (Continued)

(b) 2027 Convertible Bonds (Continued)

In May 2026, the Company repurchased approximately 1.94% of the initial principal amount of 2027 Convertible Bonds with the principal amounting to HKD50,000,000 at a price of HKD48,000,000 (approximately RMB43,087,000). The repurchase price was allocated between the liability component and the equity component on the same basis that was used in the original allocation process. Difference between the consideration payable allocated to liability component and the liability component's carrying amount amounting to approximately RMB1,187,000 was recognized in profit and loss. Difference between the consideration payable allocated to equity component and the equity component's carry amount amounting to approximately RMB519,000 was recognised in capital reserve.

The movement of the liability component and the equity component of the 2027 Convertible Bonds for the six months ended 30 June 2026 is set out below:

	Liability component RMB'000	**Equity component** RMB'000	**Total** RMB'000
As at 1 January 2026	—	—	—
Issuance	2,234,035	37,589	2,271,624
Repurchase	(42,892)	(714)	(43,606)
Interest charged	38,535	—	38,535
Exchange differences	(60,109)	—	(60,109)
As at 30 June 2026	2,169,569	36,875	2,206,444

As at 30 June 2026, no conversion shares had been issued under the convertible bonds. If bonds were fully converted as of 30 June 2026, 970,769,231 ordinary shares would have been issued.

21 EXPENSES BY NATURE

Major expenses included in cost of revenue, selling and marketing costs and administrative expenses are analysed as follows:

	Six months ended	
	30 June 2026 RMB'000 (Unaudited)	30 June 2025 RMB'000 (Unaudited)
Employees benefit expenses (including directors' emoluments)	**167,231**	134,506
Share-based compensation expenses	**14,466**	26,775
Costs of gaming development, content revenue-sharing, distribution and promotion and payment handling fees	**145,410**	251,662
Cost of inventories sold	**7,694**	10,312
Cost of film and television programmes right (Note 11)	**589,385**	726,226
Depreciation		
— Property, plant and equipment (Note 7)	**15,044**	11,126
— Right-of-use assets (Note 7)	**17,337**	16,027
Amortisation		
— Other intangible assets (Note 7)	**19,113**	3,238
Bandwidth and server custody fees	**14,814**	14,077
Short-term rental expenses	**1,937**	650
Advertising and promotion costs	**37,296**	135,185
Others	**33,755**	15,693
	1,063,482	1,345,477

22 FINANCE (COST)/INCOME — NET

	Six months ended	
	30 June 2026 RMB'000 (Unaudited)	30 June 2025 RMB'000 (Unaudited)
Finance cost:		
— Interests expenses on borrowings	**(7,693)**	(6,460)
— Interests expenses on film and television programmes investment funds from investors	**(648)**	(1,239)
— Interests expenses on convertible bonds	**(99,345)**	(23,721)
— Interests expenses on lease liabilities	**(766)**	(1,317)
— Imputed interest expenses	**(7,418)**	(24,470)
	(115,870)	(57,207)
Finance income:		
— Interest income on saving deposits	**37,384**	68,340
— Interest income on receivables from investments in film and television programmes rights and loans to third parties	**20,736**	35,915
	58,120	104,255
Finance (cost)/income — net	**(57,750)**	47,048

23 INCOME TAX EXPENSES

	Six months ended	
	30 June 2026 RMB'000 (Unaudited)	30 June 2025 RMB'000 (Unaudited)
Current income tax		
— Chinese Mainland corporate income tax	**31,417**	220,078
Deferred income tax	**(10,147)**	30,429
Income tax expenses	**21,270**	250,507

23 INCOME TAX EXPENSES (Continued)

Bermuda corporate tax

The Company is incorporated in the Bermuda under the Companies Act 1981 of Bermuda and, accordingly, are exempted from the Bermuda corporate tax.

Hong Kong profits tax

Under the two-tiered profits tax rates regime for the six months ended 30 June 2026 and 2025, the profits tax rate for the first HK$2,000,000 of assessable profits is lowered to 8.25% (half of the rate specified in Schedule 8 to the Inland Revenue Ordinance). Assessable profits above HK$2,000,000 continue to be subject to the rate of 16.5%. There is no assessable income for the year under Hong Kong profits tax.

Chinese Mainland corporate income tax

The income tax provision of the Group in respect of operations in the Chinese Mainland has been calculated at the applicable tax rate of 25%, except for a subsidiary of the Group which are entitled to preferential tax rate applicable to advanced and new technology enterprises of 15% in the six months ended 30 June 2026 and 2025 on the estimated assessable profit for the year, based on the existing legislation, interpretations and practices in respect thereof.

24 OTHER GAINS — NET

	Six months ended	
	30 June 2026 RMB'000 (Unaudited)	30 June 2025 RMB'000 (Unaudited)
Dividend income from financial assets at FVPL (Note 13)	**48,435**	—
Fair value change in financial assets at FVPL (Note 13)	**634,372**	487,502
Gain on repurchase of convertible bonds (Note 20(b))	**1,187**	—
Others	**90,381**	(7,575)
Other gains — net	**774,375**	479,927

25 EARNINGS PER SHARE

(a) Basic

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

	Six months ended	
	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Profit attributable to equity holders of the Company (RMB'000)	**837,406**	1,235,100
Weighted average number of ordinary shares in issue (thousands)	**16,749,968**	15,165,599
Basic earnings per share (RMB cents per share)	**5.00**	8.14

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has four categories of dilutive potential ordinary share being:

(1) Share options
For the six months ended 30 June 2026 and 2025, the aforementioned share options were excluded from the computation of diluted earnings per share as they were anti-dilutive.

(2) 490,506,329 placing shares that were not yet issued and the Company's share price as at 30 June 2025 exceeds the placing price (Note 14(a))

For the six months ended 30 June 2026, the placing shares has no impact to the diluted earnings per share as they were already fully issued in the second half of FY2025.

For the six months ended 30 June 2025, the placing shares were excluded from the computation of diluted earnings per share as they were anti-dilutive.

(3) 2030 Convertible Bonds
For the six months ended 30 June 2026, the 2030 Convertible Bonds were excluded from the computation of diluted earning per share as they are anti-dilutive.

For the six months ended 30 June 2025, the 2030 Convertible Bonds were dilutive and the resulting number of shares issued is included in the weighted average number of ordinary shares as the denominator for calculating diluted earnings per share. The 2030 Convertible Bonds are assumed to have been converted into ordinary shares. Interest savings on convertible bonds are adjusted to the extent of the amount charged to the profits attributable to owners of the Company, if applicable.

25 EARNINGS PER SHARE (Continued)

(b) Diluted (Continued)

(4) 2027 Convertible Bonds

For the six months ended 30 June 2026, the repurchased (Note 20(b)) and remaining outstanding portions of 2027 Convertible Bonds were dilutive, and the resulting number of shares issued is included in the weighted average number of ordinary shares as the denominator for calculating diluted earnings per share.

Both repurchased and remaining portions of 2027 Convertible Bonds are assumed to have been converted into ordinary shares. Interest savings and gain of repurchase on convertible bonds are adjusted to the extent of the amount charged to the profits attributable to owners of the Company.

For the six months ended 30 June 2025, the 2027 Convertible Bonds had no impact to the diluted earnings per share as they were only issued in February 2026.

	Six months ended	
	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Weighted average number of ordinary shares in issue (thousands)	**16,749,968**	15,165,599
Adjustment for:		
— Convertible bonds	**809,620**	331,873
Weighted average number of ordinary shares for diluted earnings per share (thousands)	**17,559,588**	15,497,472
Profit attributable to equity holders of the Company (RMB'000)	**837,406**	1,235,100
Add: Interest savings on convertible bonds	**38,535**	23,721
Gain on repurchase of convertible bonds (Note 24)	**(1,187)**	—
Profit attributable to equity holders of the Company used in calculating diluted earnings per share (RMB'000)	**874,754**	1,258,821
Diluted earnings per share (RMB cents per share) for the period	**4.98**	8.12

26 RELATED PARTY BALANCES AND TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, control the other party or exercise significant influence over the other party in making financial and operation decisions.

Parties are also considered to be related if they are subject to common control. Members of key management and their close family members of the Group are also considered as related parties.

In addition to those disclosed elsewhere in the financial statements, the Group had the following significant transactions and balances with related parties, which were carried out in the normal course of the Group's businesses.

(a) Name and relationship with related parties

Name	Relationship
Mr. Ke	Director and the Chairman of the board of the Company
Pumpkin Films Limited	A company controlled by Mr. Ke
Tencent Holdings Limited and its subsidiaries (Collectively "Tencent Group")	Tencent Group as a shareholder of the Company with the right to nominate an individual to represent Tencent Group as a director of the Company
Beijing Zhumeng Qiming Culture & Arts Co., Ltd.	A company controlled by Mr. Ke
Beijing Ruyi Xingrong Culture Media Co., Ltd.	A company controlled by Mr. Ke's family
Beijing Ruyi Xinxin Film Investment Co., Ltd.	A company controlled by Mr. Ke
Shanghai Ruyi Investment Management Co., Ltd.	A company controlled by Mr. Ke
Beijing Youlan Real Estate Co., Ltd.	A company controlled by Mr. Ke
Beijing Chuangwai Film and Television Culture Media Co., Ltd.	An associate of the Group
Sichuan Wenyoudao Film and Television Culture Co., Ltd. ("Sichuan Wenyoudao")	An associate of the Group
Chengdu Xiaozhi Youchuang Technology Co., Ltd.	An associate of the Group
Beihai Kabum Technology Co., Ltd.	A subsidiary of an associate of the Group
Ruyi Film Entertainment Company Limited (formerly "Wanda Film Holding Co., Ltd.") and its subsidiaries (Collectively "Ruyi Film Group")	A group controlled by Mr. Ke

26 RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

(b) Transactions with related parties

During the six months ended 30 June 2026 and 2025, the Group had the following significant transactions with related parties:

	Six months ended 30 June 2026 RMB'000 (Unaudited)	Six months ended 30 June 2025 RMB'000 (Unaudited)
Rental expenses:		
— Beijing Ruyi Xinxin Film Investment Co., Ltd.	**572**	218
— Shanghai Ruyi Investment Management Co., Ltd.	**—**	804
	572	1,022
Online gaming and online streaming and advertising and gaming services:		
— Tencent Group	**700,282**	947,042
Gaming promotion and other expenses:		
— Tencent Group	**14,983**	56,962
— Ruyi Film Group	**7,442**	1,039
	22,425	58,001
Internet and content delivery network cost:		
— Tencent Group	**3,699**	3,983
Gaming distribution channel fees:		
— Tencent Group	**16,264**	68,350
— Beihai Kabum Technology Co., Ltd.	**660**	—
	16,924	68,350
Receipt of film investment funds from a related party:		
— Ruyi Film Group	**—**	2,675
Investment in films of a related party:		
— Ruyi Film Group	**59,923**	1,800

26 RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

(b) Transactions with related parties (Continued)

During the six months ended 30 June 2026 and 2025, the Group had the following significant transactions with related parties: (Continued)

	Six months ended 30 June 2026 RMB'000 (Unaudited)	Six months ended 30 June 2025 RMB'000 (Unaudited)
Purchase of film and television programmes rights:		
— Tencent Group	—	9,238
— Ruyi Film Group	2,359	71,400
	2,359	80,638
Acquisition of Beijing Yonghang:		
— Tencent Group	—	825,000
Lease payments:		
— Beijing Youlan Real Estate Co., Ltd.	3,873	—

(c) Key management compensation

	Six months ended 30 June 2026 RMB'000 (Unaudited)	Six months ended 30 June 2025 RMB'000 (Unaudited)
Key management compensation:		
— Salaries and other benefits	5,575	5,837
— Share-based payments	798	1,477
	6,373	7,314

26 RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

(d) Balances with related parties

As at 30 June 2026 and 31 December 2025, the Group had the following significant balances with related parties:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade receivable from related parties:		
— Tencent Group (i)	1,007,362	819,701
— Ruyi Film Group	26	2,806
	1,007,388	822,507
Other receivables and deposits from related parties:		
— Beijing Ruyi Xingrong Culture Media Co., Ltd. (i)	800	800
— Beijing Ruyi Xinxin Film Investment Co., Ltd. (i)	8,218	8,218
— Beijing Zhumeng Qiming Culture & Arts Co., Ltd. (i)	1,300	1,300
— Sichuan Wenyoudao (i)	6,020	6,020
— Beijing Youlan Real Estate Co., Ltd.	1,966	—
	18,304	16,338
Prepayments to related parties:		
— Beijing Chuangwai Film and Television Culture Media Co., Ltd.	1,000	1,000
— Ruyi Film Group	700	—
— Tencent Group (iii)	33,041	27,419
	34,741	28,419
Trade payables to related parties:		
— Tencent Group (ii)	24,929	58,983
— Ruyi Film Group (ii)	24,500	17,626
— Beijing Ruyi Xinxin Film Investment Co., Ltd. (ii)	748	748
	50,177	77,357

26 RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

(d) Balances with related parties (Continued)

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Other payables to related parties:		
— Tencent Group (ii)	**792,197**	810,771
— Ruyi Film Group (ii)	**13,410**	13,432
— Beijing Ruyi Xinxin Film Investment Co., Ltd. (ii)	**5**	5
	805,612	824,208
Film and television programmes investment funds from related parties:		
— Tencent Group	**149,000**	149,000
— Ruyi Film Group	**10**	1,299
— Sichuan Wenyoudao (i)	**3,464**	3,464
	152,474	153,763
Film investment in related parties:		
— Ruyi Film Group	**89,533**	30,986

Personal guarantee provided by a director:

As at 30 June 2026 and 31 December 2025, one of the Group's borrowings was secured by personal guarantee from Mr. Ke as set out in Note 16(a).

(i) Amounts mainly represented trade receivables and the payment of expenses on behalf of the related parties, which are unsecured, interest-free and receivable on demand.

(ii) Amounts are unsecured, interest-free and repayable on demand.

(iii) Amounts mainly represented prepayments for gaming production, distribution and promotion fees.