INTERIM REPORT

2026
中期報告

友谊时光
FRIENDTIMES

Stock Code
06820.HK

FRIENDTIMES INC.
Incorporated in the Cayman Islands
with limited liability

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Definitions

"Adoption Date"	14 September 2020, being the date on which the Board adopted the Share Award Scheme
"AI"	artificial intelligence
"AIGC"	AI Generated Content, refers to the use of artificial intelligence technology to generate content
"APP"	a third-party application for smartphones
"Audit Committee"	the Company's audit committee which was established in accordance with the requirements of the Listing Rules, for the purposes of reviewing and providing supervision over the Group's financial reporting system, risk management and internal control
"Auditor"	KPMG, Certified Public Accountants and Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
"Award"	an award granted by the Board to a Selected Participant entitling the Selected Participant to receive such number of Awarded Shares and the related income on such terms and conditions as the Board may determine
"Awarded Shares"	in respect of a Selected Participant, such number of Shares determined by the Board under an Award
"Board" or "Board of Directors"	board of Directors of the Company
"CEO"	chief executive officer
"CG Code"	Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Chairman"	chairman of the Board
"China" or "PRC"	the People's Republic of China, but for the purpose of this report and for geographical reference only, unless otherwise stated, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan herein
"Company" or "our Company" or "the Company"	FriendTimes Inc., an exempted company incorporated in the Cayman Islands on 16 November 2018 with limited liability and listed on the Stock Exchange on 8 October 2019 (Stock code: 6820)

Definitions

"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules and in the context of this report, refers to the controlling shareholders of our Company, being Mr. Jiang, Gorgeous Sunshine, Eternal Heart, Ling Long, Future Wisdom, Warm Sunshine and Agile Eagle (as defined respectively in the Prospectus)
"Director(s)"	director(s) of the Company
"Eligible Participant(s)"	any senior and mid-level management, core technical personnel and key employees who, at the absolute discretion of the Board, will contribute or have contributed to any member of the Group
"FVPL"	fair value through profit or loss
"Group" or "the Group" or "we" or "us", or "our" or "FriendTimes"	the Company and its subsidiaries, or where the context refers to any time prior to the Company becoming the holding company of its present subsidiaries, the present subsidiaries of the Company and the businesses operated by such subsidiaries or their predecessors (as the case may be)
"HKFRS"	Hong Kong Financial Reporting Standards
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars" or "HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"IP"	intellectual property
"Listing"	listing of the Shares on the Main Board of the Stock Exchange
"Listing Date"	8 October 2019, the date on which the Shares of the Company were listed on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Mini Games"	new game products in form of a mini program, conveniently providing click-to-play experiences without downloading
"Model Code"	the Model Code of Securities Transactions by Directors of the Listed Issuers as set out in Appendix C3 to the Listing Rules
"Prospectus"	the prospectus of the Company dated 24 September 2019
"Remuneration Committee"	the Company's remuneration committee which was established in accordance with the requirements of the Listing Rules

Definitions

"Reporting Period"	from 1 January 2026 to 30 June 2026
"RMB"	Renminbi, the lawful currency of the PRC
"Scheme Rules"	the rules of the Share Award Scheme, as amended from time to time
"Selected Participant(s)"	Eligible Participant(s) selected by the Board pursuant to the Scheme Rules who holds a subsisting Award
"Senior Management"	senior management of the Company
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
"Share(s)"	ordinary share(s) in the issued capital of the Company with nominal value of US$0.00001 each
"Shareholder(s)"	holder(s) of the Shares
"Share Award Scheme"	the share award scheme adopted by the Company on the Adoption Date (in its present or any amended form)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subsidiary(ies)"	the company(ies) which are for the time being and from time to time the subsidiary(ies) (within the meaning of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the Listing Rules) of the Company, whether incorporated in Hong Kong, the British Virgin Islands, the PRC or elsewhere
"Trust"	the trust constituted by the Trust Deed
"Trust Deed"	a trust deed entered into by and among the Company, the Trustee and its nominee (as restated, supplemented and amended from time to time)
"Trustee"	the trustee which has been appointed by the Company to manage the Share Award Scheme
"%"	per cent

Corporate Information

EXECUTIVE DIRECTORS

Mr. Jiang Xiaohuang *(Chairman of the Board and CEO)*
Mr. Xu Lin
Mr. Sun Bo

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Zhu Wei
Mr. Zhang Jinsong
Ms. Tang Haiyan

MEMBERS OF AUDIT COMMITTEE

Mr. Zhu Wei *(Chairman)*
Mr. Zhang Jinsong
Ms. Tang Haiyan

MEMBERS OF REMUNERATION COMMITTEE

Mr. Zhang Jinsong *(Chairman)*
Mr. Jiang Xiaohuang
Mr. Zhu Wei

MEMBERS OF NOMINATION COMMITTEE

Mr. Jiang Xiaohuang *(Chairman)*
Mr. Zhang Jinsong
Ms. Tang Haiyan

COMPANY SECRETARY

Ms. Fung Wai Sum

AUTHORISED REPRESENTATIVES

Mr. Jiang Xiaohuang
Ms. Fung Wai Sum

REGISTERED OFFICE

Campbells Corporate Services Limited
Floor 4, Willow House, Cricket Square
Grand Cayman KY1-9010
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN THE PRC

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PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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COMPANY WEBSITE

www.friendtimes.net

STOCK CODE

6820

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Campbells Corporate Services Limited
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Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

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

Corporate Information

HONG KONG LEGAL ADVISER

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in Association with Commerce & Finance Law Offices
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Central
Hong Kong

PRINCIPAL BANKS

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Jianyuan Building, No. 18 Suzhou Avenue
Suzhou Industrial Park
Suzhou, Jiangsu Province
PRC

The Hongkong and Shanghai Banking Corporation Limited
6/F, 88 Gloucester Road
Wan Chai
Hong Kong

AUDITOR

KPMG
Certified Public Accountants
Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
8th Floor, Prince's Building
10 Chater Road
Central
Hong Kong

Financial Summary

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

RESULTS

	For the six months ended 30 June	
	2026 RMB'000	2025 RMB'000
Revenue	**599,494**	623,463
Gross profit	**450,617**	459,113
Profit for the period	**70,859**	40,713

ASSETS, LIABILITIES AND EQUITY

	As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000
Total assets	**1,480,826**	1,434,597
Total liabilities	**206,143**	194,599
Total equity	**1,274,683**	1,239,998

Management Discussion and Analysis

OVERVIEW

As a leading mobile game developer, publisher and operator integrated with research and operation in the PRC, the Group has been focusing on content and quality of products, and is committed to creating timeless high-quality products and becoming a global outstanding cultural and creative enterprise.

The Group is headquartered in Suzhou, China, with branches in regions including Chengdu and Hong Kong in China, and South Korea, and was listed on the Main Board of the Stock Exchange on 8 October 2019. Since our inception in 2010, we have successfully launched core products such as the Legend of Empress (熹妃傳), Royal Chaos (熹妃Q傳), Fate of the Empress (浮生為卿歌), Promise of Lingyun (凌雲諾), Twist of the Fate (浮生憶玲瓏), A Story of Lala's: Rising Star (杜拉拉升職記), Bloom Reverie (花與緋想), Heartbeat Fall (心跳陷落), and others, which are well received among users.

As a key national cultural export enterprise and a pioneer in the segment of female-oriented games, the Group keeps a professional global distribution and operation team. While consolidating the leading position in the domestic female market, we are actively exploring the domain of general-user and Mini Games, as well as overseas markets. We adhere to the corporate mission of "Let Culture Create Values", and are committed to spreading excellent Chinese culture to a wider group and region, so as to build a carrier for global outstanding cultural exchanges, promote cultural inheritance and heritage, constantly explore cultural values, and shape a more profound influence of culture.

REVIEW

For the six months ended 30 June 2026, the total revenue of the Group was approximately RMB599.5 million, representing a decrease of approximately 3.8% as compared to the corresponding period in 2025. Profit for the period was approximately RMB70.9 million, representing an increase of approximately 74.0% as compared to the corresponding period in 2025, which was mainly attributable to the net gain from fair value changes in financial assets measured at fair value through profit or loss and the increase in investment income.

FriendTimes has consistently implemented its strategies of "diversification and quality" and the integration of research and operations, creating an efficient closed-loop system from demand capture to product optimization. The research and development team gains deep insights into market trends and user preferences, enhancing the success rate of products under development. The distribution and operation teams provide real-time feedback that fuels iterative research and development improvements, fostering a virtuous cycle of research and operations synergy. Leveraging such model, we continue to expand user demographics, tap into emerging market growth, and cultivate new revenue drivers. While solidifying its leading position in the ancient-style female-oriented segment, the Group actively explores product forms with more creative and lightweight characteristics. We have gradually established three core matrices of ancient-style female-oriented, modern female-oriented, and creative products, covering both APP-based games and mini-games. By refining gameplay design, scenario special effects, artistic quality, and music performance, we continuously invest in product iteration to effectively extend product lifecycles. This commitment aims to deliver increasingly rich and diverse gaming experiences to players.

Management Discussion and Analysis

FriendTimes continues to deepen its product matrix and enhance its long-term operational strength for diversified products. In terms of ancient-style games, we have consolidated our leading advantages through immersive storytelling, national aesthetics, and innovative interaction mechanisms. In terms of modern-themed works, we have focused on modern life scenes of women, accurately targeting interest demographics with distinct metropolitan symbols and fashionable expressions. In terms of creative products, we have continuously enriched the diversified charm of the product line through differentiated gameplay design and stylized expressions. After systematic planning, significant breakthroughs in product categories have been achieved: in the first half of 2026, ancient-style female-oriented products accounted for 53.2% of revenue, modern-themed products accounted for 38.5%, and creative products accounted for 8.3%. During the Reporting Period, several games delivered a stellar performance, with A Story of Lala's: Rising Star (杜拉拉升職記) entering the TOP 10 of the Douyin mini-game best-seller list, Legend of Empress (熹妃傳) entering the TOP 50 of the Douyin mini-game best-seller list, and Heartbeat Fall (心跳陷落) breaking into the TOP 50 of both Douyin and WeChat mini-game best-seller lists.

With the core strategy of "Creation Empowered with Intelligent Technology Reshapes Gaming Experiences", FriendTimes continuously deepens the integration of AI with its game business, building an AI application system covering the entire process of research and development, distribution, and operations. Focusing on four core directions: platform-based tool development, data asset accumulation, intelligent agent innovation, and AI-native gameplay experiment, the Company has established an AI tool matrix covering multiple stages such as art, programming, copywriting, translation, and audio, and achieved standardized reuse of creative experience through the integration of knowledge and databases. Throughout the research and development production process, AI has been deeply integrated in the entire art creation workflow, covering UI design, modeling, animation, and 2D/3D artwork output, significantly improving resource production efficiency. Meanwhile, AI code generation technology has been widely applied in program development, system testing, and bug fixing, effectively shortening project iteration cycles and reducing labor and time costs. AI capabilities have also been introduced into automated testing process to enhance stability and coverage. In addition, the Company actively embraces the domestic operating system ecosystem, and several of its games have completed the development of native apps for Huawei's HarmonyOS, officially joining the HarmonyOS ecosystem.

In the operation and distribution part, the Company has achieved systematic AI-driven empowerments, with a particular focus on scenarios such as localization, customer service, advertising campaigns, and resource management. AI-powered localization translation has been fully incorporated into the overseas versions of all our games, ensuring cultural adaptation and response speed. AI-powered intelligent customer service provides players with efficient and precise interactive services, optimizing user experience. AI-assisted strategies have been integrated into advertising campaigns to enhance user acquisition efficiency and conversion rates. In terms of internal resource management, the Company has established an intelligent art asset management platform. By utilizing AI smart tagging and retrieval functions, this platform enables the efficient reuse of art resources, thereby reducing costs associated with duplicate production. Meanwhile, in the early stages of product initiation and version updates, it assists in completing the design of game characters, scenes, and props, optimizes gameplay, animations, and style testing outcomes, accelerates project validation processes and improves efficiency in product initiation decision-making and version iteration.

Management Discussion and Analysis

In terms of IP operation and brand promotion, the Company leverages AIGC technology to efficiently generate creative content, producing several AI-generated animated series. For instance, derivative animated series based on A Story of Lala's: Rising Star (杜拉拉升職記) and Heartbeat Fall (心跳陷落), as well as series such as "Don't Kneel, Senior Brother – I Walk the Ruthless Path" (師兄別跪了，我修了無情道), have been launched on platforms such as Douyin, Xiaohongshu, Channels, and Hongguo, with cumulative views exceeding 10 million. Concurrently, the Company embeds derivative short series into marketing activities including brand publicity, user acquisition, and material production, creating more immersive creative content through dramatic visual storytelling. These short series extend the narrative dimension of IPs, strengthening players' recognition of, and emotional connection to, the game's worldview, thereby accumulating content assets for long-term brand building. Currently, the Company's AI applications are extending from the full chain of distribution, operations, and product planning to content creativity and brand marketing, further unleashing the synergistic potential of "AI + Games".

FriendTimes maintains an open mind in response to industrial transformation and the rapid iteration of global artificial intelligence, empowers business innovation with strategic investment and financial investment, injecting new momentum into the sustainable development of the Company. For example, the Company recently participated in the investment in IBDTEC Technology Co., Ltd (中山市博頓光電科技有限公司) ("**IBDTEC**"). IBDTEC specializes in domestically developed high-end ion sources and ion beam equipment, possessing the full-chain core technologies spanning key components and complete equipment to application processes, and laying a solid industrial foundation for next-generation atomic-scale manufacturing. It has established a rare strategic foothold in future-oriented industries such as fusion energy and quantum technology, as well as in frontier new quality industries including aerospace, optical communications, and pan-semiconductors. In addition, the Company invested in Linkerbot Beijing Technology co., Ltd. (靈心巧手(北京)科技股份有限公司) ("**Linkerbot**"). Linkerbot is a global leader in dexterous hands, focusing on high-performance end-effectors and dexterous operation infrastructure. It has built a physical AI foundation, encompassing operating systems, skill libraries and embodied intelligence big models. Its products cover a full spectrum of applications spanning research, general-purpose, industrial and service scenarios, making it the only company worldwide to have achieved mass production of over one thousand units of high-degree-of-freedom dexterous hands.

During the Reporting Period, as an industry player, the Company led the angel round investment of Shanghai Novacore Technology Co., Ltd. (上海深穹星核科技有限公司) ("**Novacore**") to accelerate its technology iteration in the field of ultra-high simulation human faces and promote the commercial landing of AI companion scenarios. Novacore focuses on the integration of "intent understanding" big models and ultra-simulation human faces, making breakthroughs in real-time dialogue interaction, subtle emotion recognition, and "fast and slow brain" architecture to achieve continuous evolution of intelligent agents in interaction. Starting from capital cooperation, both parties will carry out deep synergy around emotional companionship and interactive experience, and jointly explore innovative applications of embodied intelligence in entertainment technology. Meanwhile, the Company also conducted diversified financial investments in fields such as AI hardware, quantum, brain-computer interfaces, and aerospace. The Company has established deep cooperative relationships with multiple leading fund management institutions, effectively diversifying investment risks and optimizing its asset allocation structures through a combination of direct investments and fund portfolio allocations.

Management Discussion and Analysis

A Story of Lala's: Rising Star (杜拉拉升職記)

A Story of Lala's: Rising Star (杜拉拉升職記), a female-oriented workplace mobile game, incorporates gameplay modes such as job promotion, dressing up, and leisure activities, in combination with lightweight content such as the vacation and travel mode and the shopping spree mode, outlining a vivid picture of the growth and lifestyle of the new generation of professionals in a fashionable metropolitan setting. Since its launch, the mini-game version has delivered particularly outstanding performances, evidenced by its entry into the Top 10 best-selling list of Douyin mini-games and the Top 50 best-selling list of WeChat mini-games. With its agile approach to metropolitan storytelling, it has reached a broader user demographics. In overseas markets, A Story of Lala's: Rising Star (杜拉拉升職記) benefited from our in-depth localization strategy, breaking into the Top 20 of South Korea's iOS Best-selling Games, demonstrating strong cross-cultural appeal.

In 2026, A Story of Lala's: Rising Star (杜拉拉升職記) continued to release vitality through product iterations and cross-border integration. The game rolled out a series of content updates centered around new gameplay, fashion collections, companions, vehicle systems, and diverse travel scenarios, constantly broadening the narrative boundaries and imaginative space of the metropolitan workplace. In March, the game partnered with virtual singer Luo Tianyi to launch a themed campaign, "Voice of the Workplace: Sing Your Way to the Top (聲動職場，唱響高光逆襲)", portraying the rhythm of urban life with music. In April, the game launched the fifth Creative Fashion Collection Competition (第五期創意時裝徵集大賽) with the theme of "Hometown Memories, Eastern Elegance (雲裳故里，衣袂東方)", encouraging players to turn the colors, scenery textures, and memories of their hometowns into clothing, telling nostalgia stories from the bottom of their hearts through fashion language. In June, the game's derivative short series of the same name "Invitation from the Deceased (亡魂請柬)" was launched. Presented in the new format of AI-powered short series, it expanded the IP's narrative dimension and offered players an immersive new story experience.

Heartbeat Fall (心跳陷落)

The oriental supernatural romance mobile game Heartbeat Fall (心跳陷落) was officially launched on 27 May 2026. As a card game that combines immersive storytelling with romantic interaction, it draws on supernatural tales to invite players on a heart-throbbing journey beyond the mortal world. Set in a vibrant otherworldly city, players take on the role of Director of the Special Task Force, piecing together clues in a series of mysterious cases while meeting and forming bonds with fated individuals of extraordinary identities, creating moments that resonate with emotion. The game features core gameplay mechanics including exploration, puzzle-solving, immersive storytelling, and agent development, complemented by a free and customizable dress-up system that lets players enjoy the unique charm of this alternate dimension even during their adventures.

On its launch day, the game kicked off an offline collaboration with Beijing Happy Valley. The four male leads crossed dimensions to open an exclusive romantic event with the "Senluo Parade (森羅巡遊)". In July, the derivative short series of the same name, Tales of Senluo (森羅異聞錄), premiered, joining forces with a new agent named Shen Tu to venture into hidden realms and uncover the truth behind the mysterious legends. To date, Heartbeat Fall (心跳陷落) has maintained a steady performance, securing a spot in the Top 50 of both the Douyin and WeChat mini-game best-seller charts. With its unique oriental supernatural appeal, it has captured the hearts of a wide audience of players.

Management Discussion and Analysis

Legend of Empress (熹妃傳)

The aesthetic ancient-style cultivation mobile game Legend of Empress (熹妃傳) is based on a classic best-selling novel and combines core gameplay such as card collection and development, strategic combat, and DIY dress-up, along with lighter leisure activities including manor management, fishing and cooking, and pet raising, allowing players to enjoy the leisurely charm of ancient life alongside political scheming. In May 2024, the mini-game version performed well after launch, ranking among the Top 30 best-selling titles on Douyin's mini-game chart. In April 2026, the game launched a cross-temporal collaboration with A Story of Lala's: Rising Star (杜拉拉升職記), using the "Phoenix Workplace Illustrated Guide (鳳鳴職場圖鑒)" to connect workplace wisdom across ancient and modern times. As one of the Company's classic evergreen titles with a history of over ten years, Legend of Empress (熹妃傳) has maintained a steady monthly revenue performance across both mobile and web platforms, consistently generating stable returns for the Company.

Reserve Games

The Company's reserve games include Yumemeguri Shoujo～ Isekai Kyuutei Kitan～ (夢巡り少女～異世界宮廷綺譚～), Hello Kitty My Dream Store (凱蒂貓夢想商店), Code: Time Travel (代號：穿越), Code: HZ (代號：HZ), and Code: QJ (代號：QJ) etc., which are currently under development and testing.

OUTLOOK

Looking into the future, we will constantly deepen the construction of our research and operations integration system, strengthen underlying technology research and development capabilities, and further enhance our full lifecycle product management capabilities by expanding multi-channel distribution networks and refined long-term operational mechanisms. We will iterate on management systems and performance mechanisms, and continuously improve the cost control. We will accelerate the application of AI technologies and innovative experiments, drive process innovation across all scenarios, and strive to bring players more refreshing experiences. By steadfastly implementing a global development strategy, and pursuing our strategy of "regional focus + category breakthrough", we will create a premium game matrix characterized by cultural uniqueness with global aesthetics.

SHAREHOLDER RETURNS

Since its listing, the Group has distributed an aggregate cash dividend of over RMB790 million to its Shareholders, significantly exceeding the net proceeds of RMB434 million raised from its Listing.

At the same time, the Group has also demonstrated its confidence in its own value through the Share Award Scheme administered by the trustee. During the period from 28 August 2023 to 30 June 2026, we have continuously purchased Shares on the open market through the trustee under the Share Award Scheme, with the aggregate number of Shares purchased representing approximately 4.5% of the Company's total issued share capital.

To fully demonstrate confidence in the Group's long-term development prospects, Mr. Jiang Xiaohuang, executive Director, chairman of the Board, CEO and Controlling Shareholder, increased his shareholding in the Company during the period from 23 to 30 June 2026, with an aggregate number of Shares increased representing approximately 0.3% of the Company's total issued share capital.

SOCIAL RESPONSIBILITIES

The Group actively fulfills its corporate social responsibility by integrating the environmental, social, and governance ("**ESG**") issues into its entire corporate management framework, while striving to build a healthy and harmonious online and offline ecosystem through charity activities. The Group actively responds to national environmental policies related to carbon neutrality, energy conservation, and waste reduction, by promoting sustainable development practices within the Company. In addition to establishing the ESG policies and procedures, the Group actively promotes the participation of its products and platforms, while integrating the sustainability concept into its daily operational management to enhance the environmental awareness among its employees and achieve long-term prosperity for its business development.

By consistently taking practical actions in areas such as education assistance, animal rescue, "red culture education", environmental protection, and epidemic prevention and control, the Group continues to fulfill its social responsibility and mission, demonstrating and delivering a message of love in public welfare. At the same time, the Group has established systems for network content security, data security, and account management. As for user privacy protection, under stringent management systems and procedural frameworks, we exercise rigorous control over information security risks, and strictly align with relevant laws and regulations in all operating regions globally, thereby safeguarding data security, while maximally securing user personal information.

In respect of the protection of minors, the Group strictly complies with relevant national policies, connects all of its games to a comprehensive system encompassing real-name authentication, anti-addiction procedures, and age-appropriate reminders, imposes restrictions on underage spending, and operates a parental guardianship project with a dedicated channel for complaints from minors. To strictly enforce the new regulations on preventing addiction among minors issued by the National Press and Publication Administration, we only offer 1 hour of online gaming services to minors from 8 pm to 9 pm on Fridays, Saturdays, Sundays, and statutory holidays, ensuring the healthy growth of minors. We will continue to strengthen prevention, in-process monitoring, and post-management, and increase the governance of the game content ecology to effectively maintain a healthy and clear game environment.

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2026, the Group recorded revenue of approximately RMB599.5 million, representing a decrease of approximately RMB24.0 million or approximately 3.8% from approximately RMB623.5 million for the corresponding period in 2025. This was primarily attributable to a decrease in revenue from overseas markets, partially offset by a steady and slight increase in revenue from the domestic market.

Revenue from games by activity

The table below sets forth a breakdown of revenue by activity, shown in actual amounts and as percentages of total revenue for the periods indicated:

	Six months ended 30 June				
	2026		2025		Period to period change
	RMB'000	**%**	RMB'000	%	%
Revenue from games	**599,369**	**99.98%**	623,309	99.98%	–3.8%
Others	**125**	**0.02%**	154	0.02%	–19.0%
Revenue	**599,494**	**100.00%**	623,463	100.00%	–3.8%

Revenue from games by geographic markets

The table below sets forth a breakdown of revenue from games by geographic markets in absolute amounts and as percentages of our total revenue from games for the periods indicated:

	Six months ended 30 June				
	2026		2025		Period to period change
	RMB'000	**%**	RMB'000	%	%
Domestic market	**507,542**	**84.7%**	499,181	80.1%	1.7%
Overseas market	**91,827**	**15.3%**	124,128	19.9%	–26.0%
Revenue from games	**599,369**	**100.0%**	623,309	100.0%	–3.8%

Cost of sales

The Group's cost of sales decreased by approximately 9.4% from approximately RMB164.4 million for the six months ended 30 June 2025 to approximately RMB148.9 million for the six months ended 30 June 2026, which was mainly due to the decrease in distribution cost ratio resulting from the increased proportion of revenue from Mini Games.

Gross profit and gross profit margin

As a result of the above, gross profit decreased by approximately 1.9% from approximately RMB459.1 million for the six months ended 30 June 2025 to approximately RMB450.6 million for the six months ended 30 June 2026. Gross profit margin increased from approximately 73.6% for the six months ended 30 June 2025 to approximately 75.2% for the six months ended 30 June 2026, which was mainly benefited from the increase in the proportion of revenue from our high-margin channels.

Sales and marketing expenses

For the six months ended 30 June 2026, the Group's sales and marketing expenses amounted to approximately RMB306.4 million, representing an increase of RMB14.3 million or approximately 4.9% from approximately RMB292.1 million for the six months ended 30 June 2025, which was mainly due to the concentrated promotional expenses for new products.

Research and development expenses

For the six months ended 30 June 2026, the Group's research and development expenses amounted to approximately RMB154.0 million, representing an increase of RMB22.2 million or approximately 16.9% from approximately RMB131.8 million for the six months ended 30 June 2025, which was mainly due to (1) an increase in costs for research and development personnel optimization, (2) an increase in sound and animation expenses, and (3) an increase in share-based remuneration expenses.

General and administrative expenses

For the six months ended 30 June 2026, the Group's general and administrative expenses amounted to approximately RMB18.0 million, representing an increase of RMB0.2 million or approximately 0.8% from approximately RMB17.8 million for the six months ended 30 June 2025.

Finance costs

For the six months ended 30 June 2026, the Group's finance costs amounted to approximately RMB0.7 million, representing a decrease of RMB0.7 million from approximately RMB1.4 million for the six months ended 30 June 2025, which was mainly affected by the decrease in financing amount.

Income tax expense

For the six months ended 30 June 2026, the Group's income tax expense amounted to approximately RMB23.8 million, representing an increase of approximately RMB13.9 million from the income tax expense of approximately RMB9.9 million for the six months ended 30 June 2025, mainly due to the increase in deferred income tax expenses arising from taxable temporary differences.

Profit for the period

Based on the above reasons, for the six months ended 30 June 2026, our profit for the period amounted to approximately RMB70.9 million, representing an increase of approximately RMB30.2 million or approximately 74.0% from the profit for the period of approximately RMB40.7 million for the six months ended 30 June 2025, which was mainly attributable to the net gain from fair value changes in financial assets measured at FVPL and the increase in investment income.

Management Discussion and Analysis

Liquidity and capital resources

As at 30 June 2026, the Group's current liabilities/net assets amounted to approximately 0.15 (31 December 2025: 0.15).

As at 30 June 2026, the Group's cash and cash equivalents amounted to approximately RMB194.4 million. The Group monitors and maintains cash and cash equivalents to a level that management believes to be sufficient to meet the Group's operating needs.

	Six months ended 30 June	
	2026 RMB'000	2025 RMB'000
Net cash (used in)/generated from operating activities	**(26,323)**	32,855
Net cash generated from/(used in) investing activities	**97,284**	(188,195)
Net cash (used in) financing activities	**(23,610)**	(40,621)
Net change in cash and cash equivalents	**47,351**	(195,961)
Cash and cash equivalents as at the beginning of the period	**153,015**	334,825
Effect of foreign exchange rate changes	**(5,917)**	(1,018)
Cash and cash equivalents as at 30 June	**194,449**	137,846

Operating activities

During the six months ended 30 June 2026, the Group's net cash flow used in operating activities was RMB26.3 million, compared to net cash generated from operating activities of RMB32.9 million for the six months ended 30 June 2025.

Investing activities

For the six months ended 30 June 2026, the Group's net cash generated from investing activities was RMB97.3 million, which primarily consisted of (i) payment for purchase of investments measured at FVPL of RMB750.5 million; (ii) proceeds from redemption of investments measured at FVPL of RMB743.7 million; (iii) proceeds from redemption of time deposit investment of RMB175.6 million; and (iv) payment for purchase of time deposit investments of RMB79.7 million; and net cash used in investing activities for the six months ended 30 June 2025 was RMB188.2 million.

Financing activities

For the six months ended 30 June 2026, net cash used in financing activities of the Group was RMB23.6 million, which mainly consisted of (i) proceeds from interest-bearing borrowings of RMB89.0 million; (ii) expenses for repayment of interest-bearing borrowings of RMB78.0 million; and (iii) payment of dividends of RMB36.3 million; and net cash used in financing activities for the six months ended 30 June 2025 was RMB40.6 million.

Management Discussion and Analysis

Capital expenditures

The Group's capital expenditures mainly included (1) purchase of equipment such as servers and computers; (2) purchase of intangible assets such as copyrights of literary works used or to be used in our games, software and IP licenses, various office software; and (3) payment of housing rental fees for the acquisition of right-of-use assets. Capital expenditures for the six months ended 30 June 2026 and 30 June 2025 are set out below:

	Six months ended 30 June	
	2026 RMB'000	2025 RMB'000
Equipment	**949**	320
Intangible assets	**3,460**	1,253
Right-of-use assets	**–**	1,370

Gearing ratio and capital structure

As at 30 June 2026, gearing ratio (calculated as the sum of bank loans and lease liabilities divided by total equity) was 6.4% (31 December 2025: 5.7%). As at 30 June 2026, the Group's balance of interest-bearing borrowings amounted to RMB82.1 million (31 December 2025: RMB70.3 million). The Company's number of issued Shares remained unchanged, being 2,180,850,000 Shares.

Contingent liabilities

As of 30 June 2026, the Group did not have any unrecorded significant contingent liabilities or any guarantees (31 December 2025: Nil).

Employees and remuneration policies

As at 30 June 2026, the Group had a total of 854 employees (31 December 2025: 912 employees), all based in the PRC. The Group determined the remuneration policy for the employees based on their performance, work experience and the current market salary level. We did not experience any material labour disputes during the six months ended 30 June 2026.

Restructuring

During the six months ended 30 June 2026, the Group did not have any restructuring.

SIGNIFICANT INVESTMENTS AND INVESTMENT PORTFOLIO

As of 30 June 2026, the Group's financial assets measured at fair value through profit or loss totaled approximately RMB579.6 million, with investment types including wealth management products, limited partnerships, listed equity securities investments and unlisted equity securities investments, details of which are set out in note 10 to the unaudited interim financial statements in this report.

1. Investment in wealth management products

As of 30 June 2026, the Group's investments in wealth management products measured at fair value totaled approximately RMB205.5 million. Such investments were mainly allocated to financial instruments with a comparatively high degree of principal protection, primarily including structured deposits issued by commercial banks, as well as wealth management products issued by reputable commercial banks and securities firms with risk ratings mainly of R1(Note) and R2(Note). The Group mainly purchased wealth management products with an investment term of no longer than 1 year. The underlying assets of such wealth management products mainly include interbank deposits, money market instruments, fixed income assets and income certificates, etc. The Group's funding for such investments was sourced from its self-owned funds. During the Reporting Period, the Group purchased wealth management products from 10 financial institutions, and the actual returns of such wealth management products ranged from 1.12% to 4.31%.

Each of the following outstanding wealth management products had a percentage of over 5% to the Group's total assets as of 30 June 2026:

Subscription Date	Interest Commencement Date	Maturity Date	Product Name	Bank Name	Principal amount of subscription (RMB million)	Type of product and risk rating	Expected return rate	Investment scope of product	Fair value as of 30 June 2026 (RMB million)	Fair value relative size to total assets as of 30 June 2026
15 June 2026	17 June 2026	16 December 2026	Structured Deposit	Zheshang Bank, Suzhou High-tech Zone Sub-branch[1]	20.0	Principal-protected floating return and closed-end, low risk	1.20%-2.40%	Subject linked: EUR/USD	20.01	5.41%
15 June 2026	17 June 2026	17 March 2027	Structured Deposit	Zheshang Bank, Suzhou High-tech Zone Sub-branch[1]	30.0	Principal-protected floating return and closed-end, low risk	1.20%-2.40%	Subject linked: EUR/USD	30.02	
15 June 2026	17 June 2026	16 June 2027	Structured Deposit	Zheshang Bank, Suzhou High-tech Zone Sub-branch[1]	30.0	Principal-protected floating return and closed-end, low risk	1.30%-2.50%	Subject linked: EUR/USD	30.02	

(1) In the announcement dated 15 June 2026 entitled "Discloseable Transaction — Subscription of Principal-protected Structured Deposits", the bank was translated as "Zheshang Bank, Suzhou New District Sub-branch". However, in the "Interim Results Announcement for the Six Months Ended 30 June 2026" dated 18 August 2026, the translation reads "China Zheshang Bank, Suzhou High-tech Zone Sub-branch". The Company confirms that both of the above translations refer to the same branch of the bank, namely Zheshang Bank, Suzhou High-tech Zone Sub-branch. These discrepancies do not affect the identity of the entity in question and do not in any way affect the validity of the information disclosed in the relevant transactions and announcements.

Note: R1 (low risk) products have the following features: They usually have a clear structure and are easy to understand; open-ended products have relatively high liquidity; the principal protection level is extremely high, and the probability of loss of principal is extremely low under normal circumstances; the returns of main types are stable with small fluctuations. R2 (medium-low risk) products have the following features: They have an overall clear structure; relatively high liquidity; relatively high level of principal protection, and low possibility of loss of principal; returns are relatively stable, but principal and returns may fluctuate due to adverse factors such as interest rates, credit and the market. The risk ratings of the above products are independently assessed by the issuing financial institutions based on factors such as scope of investment, liquidity and risk level, and are specifically specified in the product manuals and risk disclosure statements of each product.

2. Investment in limited partnerships

As of 30 June 2026, the Group made investments in eleven venture capital partnerships as a limited partner, and the investments in limited partnerships measured at fair value totaled approximately RMB294.1 million. The relevant assets invested by such limited partnerships were mainly growth-oriented high-tech enterprises, such as cutting-edge innovative fields including AI innovative applications, advanced manufacturing, embodied intelligence, quantum computing, and aerospace. The investments in such eleven limited partnerships were purely financial investments. The fair value of such limited partnerships at the time of investment did not exceed 5% of the Group's total assets, nor did those investments meet the disclosable transaction requirements under Chapter 14 of the Listing Rules, and therefore no disclosure in separate announcement was made. The Group's funding for such investments was sourced from its self-owned funds. During the Reporting Period, such investment yielded accumulated dividend income of RMB4,518.09.

As of 30 June 2026, the following eight venture capital partnerships (private funds) under the same fund manager exceeded 5% of the Group's total assets:

Time of investments	Names of private funds	Nature of funds	Fund manager	Scope of investments	Duration of funds[3]	Initial size of funds (RMB million)	Initial cost of investments (RMB million)	Initial percentage of investments	Cost of investments as of 30 June 2026 (RMB million)	Fair value as of 30 June 2026 (RMB million)	Fair value relative size to total assets as of 30 June 2026
July 2020	Suzhou Yongxin Ronghui Venture Capital Partnership (L.P.)* (蘇州永鑫融慧創業投資合夥企業(有限合夥))	Comprehensive fund	Suzhou Yongxin Ark Equity Investment Management Partnership (蘇州永鑫方舟股權投資管理合夥企業(普通合夥))[1][2]	Investing in innovative enterprises in their startup and growth stages through equity investment	three-year investment period + two-year exit period	278.3	30.0	10.78%	27.9	34.0	15.61%
November 2021	Suzhou Yongxin Kaituo Venture Capital Partnership (L.P.)* (蘇州永鑫開拓創業投資合夥企業(有限合夥))	Comprehensive fund	Suzhou Yongxin Ark Equity Investment Management Partnership (蘇州永鑫方舟股權投資管理合夥企業(普通合夥))[1][2]	Investing in innovative enterprises in their growth-stage through equity investment	three-year investment period + two-year exit period	500.9	30.0	5.99%	27.0	116.8	
November 2022	Suzhou Yongxin Rongchang Venture Capital Partnership (L.P.)* (蘇州永鑫融暢創業投資合夥企業(有限合夥))	Specialized fund	Suzhou Yongxin Ark Equity Investment Management Partnership (蘇州永鑫方舟股權投資管理合夥企業(普通合夥))[1][2]	Investing through equity investment in the growth-oriented enterprises with core competitive advantages and potential for listing	three-year investment period + two-year exit period	76.3	5.0	6.55%	3.2	23.3	
July 2023	Suzhou Yongxin Rongyao Venture Capital Partnership (L.P.)* (蘇州永鑫融耀創業投資合夥企業(有限合夥))	Comprehensive fund	Suzhou Yongxin Ark Equity Investment Management Partnership (蘇州永鑫方舟股權投資管理合夥企業(普通合夥))[1][2]	Investing in innovative enterprises in their growth-stage through equity investment	three-year investment period + two-year exit period	600.0	5.0	0.83%	5.0	21.4	
July 2023	Suzhou Yongxin Rongke Venture Capital Partnership (L.P.)* (蘇州永鑫融科創業投資合夥企業(有限合夥))	Specialized fund	Suzhou Yongxin Ark Equity Investment Management Partnership (蘇州永鑫方舟股權投資管理合夥企業(普通合夥))[1][2]	Investing through equity investment in the growth-oriented enterprises with core competitive advantages and potential for listing	three-year investment period + four-year exit period	52.1	5.0	9.60%	5.0	5.0	
March 2025	Suzhou Yongxin Ronglun Equity Investment Partnership (L.P.)* (蘇州永鑫融倫股權投資合夥企業(有限合夥))	Specialized fund	Suzhou Yongxin Ark Equity Investment Management Partnership (蘇州永鑫方舟股權投資管理合夥企業(普通合夥))[1][2]	Investing through equity investment in the growth-oriented enterprises with core competitive advantages and potential for listing	three-year investment period + four-year exit period	52.1	5.0	9.60%	5.0	5.7	
January 2026	Suzhou Yongxin Zhiyuan Venture Capital Partnership (L.P.)* (蘇州永鑫致遠創業投資合夥企業(有限合夥))	Comprehensive fund	Suzhou Yongxin Ark Equity Investment Management Partnership (蘇州永鑫方舟股權投資管理合夥企業(普通合夥))[1][2]	Investing in innovative enterprises focusing on pan-AI intelligent manufacturing industry related areas in their growth-stage through equity investment	four-year investment period + three-year exit period	200.0	20.0	10.00%	20.0	20.0	
April 2026	Suzhou Yongxin Hangrui Venture Capital Partnership (L.P.)* (蘇州永鑫航銳創業投資合夥企業(有限合夥))	Comprehensive fund	Suzhou Yongxin Ark Equity Investment Management Partnership (蘇州永鑫方舟股權投資管理合夥企業(普通合夥))[1][2]	Investing in innovative enterprises focusing on pan-commercial aerospace industry related areas in their growth-stage through equity investment	four-year investment period + three-year exit period	200.0	5.0	2.50%	5.0	5.0	

(1) In the "Interim Results Announcement for the Six Months Ended 30 June 2026" dated 18 August 2026 sub-sectioned "Financial assets" under section "Financial Review", the name of the fund manager was translated as "Suzhou Yongxin Ark Equity Investment Partnership". The Company confirms that the above translation refers to the fund manager namely "Suzhou Yongxin Ark Equity Investment Management Partnership". This discrepancy does not affect the identity of the entity in question and do not in any way affect the validity of the information disclosed in the relevant transaction and announcement.

(2) Suzhou Yongxin Ark Equity Investment Management Partnership is a private equity investment and management firm established in 2015, which has completed private fund manager registration and filing with the Asset Management Association of China and possesses fund management professional qualifications. It focuses on investments in hard technologies such as integrated circuits, artificial intelligence, intelligent manufacturing, and advanced materials, and is committed to exploring and incubating high-quality hard-technology projects with core competitiveness and broad market prospects.

(3) Such duration refers to the fund duration of each venture capital partnership, which may be extended upon approval by the meeting of partners, provided that no new external investment projects shall be added during the extension period, which shall only be used for the exit and disposal of existing projects.

As of 30 June 2026, except for the above eight venture capital partnerships, the respective fair value of the remaining three venture capital partnerships did not exceed 5% of the Group's total assets. The basic information is as follows:

(1) The fund manager of Partnership A was established in 2020, which has completed private fund manager registration and filing with the Asset Management Association of China and possesses fund management professional qualifications. It focuses on strategic investments in core trends of embodied intelligence, physical AI, and intelligent electric vehicle industries. The duration of the fund(Note) is: 4-year investment period + 4-year exit period.

(2) The fund manager of Partnership B was established in 2014, which has completed private fund manager registration and filing with the Asset Management Association of China and possesses fund management professional qualifications. It focuses on investments in the related fields of the integrated circuit industry, covering segments such as materials, design, equipment, IP and services in the industrial chain. The duration of the fund(Note) is: 4-year investment period + 4-year exit period.

(3) Partnership C is a general limited partnership and is not a private fund, which does not involve private fund manager registration and private fund filing. Its executive partner (general partner) was established in 2026 and is responsible for managing the partnership's affairs. This partnership focuses exclusively on the special investment in Linkerbot, and shall not invest in other projects except for the Linkerbot project. Linkerbot is a global leader in dexterous hands, focusing on high-performance end-effectors and dexterous operation infrastructure. It has built a physical AI foundation, encompassing operating systems, skill libraries and embodied intelligence big models. Its products cover a full spectrum of applications spanning research, general-purpose, industrial and service scenarios, making it the only company worldwide to have achieved mass production of over one thousand units of high-degree-of-freedom dexterous hands. The investment period (Note) of this special investment is 5 years, and the special exit will be carried out after the expiration of the investment period.

Note: The above duration may be extended upon approval by the meeting of partners, provided that no new external investment projects shall be added during the extension period, which shall only be used for the exit and disposal of existing projects.

3. Investment in listed equity securities

As of 30 June 2026, the Group's investments in listed equity securities measured at fair value totaled approximately RMB76.0 million. The Group's investments in listed equity securities were dynamically and evenly allocated between value-oriented high-dividend stocks and growth-oriented high-potential stocks, with an overall highly diversified shareholding structure and strictly controlled drawdowns.

As of 30 June 2026, such stock investments were all investments in the stocks with an active stock market. The investment markets include the Shanghai Stock Exchange, the Shenzhen Stock Exchange and the Stock Exchange, with investment industries covering industries such as electric power, finance, medical care, and technology. Among them, the fair value of any single stock investment did not exceed 5% of the Group's total assets, and none exceeded 1%. Such investments of the Group have no fixed investment period, and the funding was sourced from its self-owned funds. During the Reporting Period, such investments in listed equity securities yielded accumulated dividend income of approximately RMB0.5 million.

4. Investment in unlisted equity securities

As of 30 June 2026, the Group's investment in unlisted equity securities measured at fair value totaled approximately RMB4.0 million, of which the fair value did not exceed 5% of the Group's total assets. The target company of such investment is Novacore. Novacore focuses on the integration of "intent understanding" big models and ultra-simulation human faces, making breakthroughs in real-time dialogue interaction, subtle emotion recognition, and "fast and slow brain" architecture to achieve continuous evolution of intelligent agents in interaction. Such investment is a strategic investment with no fixed investment period, and the funding was sourced from its self-owned funds. During the Reporting Period, such investment did not yield dividend income.

5. As of 30 June 2026, save as disclosed above, the Group did not hold any other significant investments (i.e. any investment in an investee company with a value of 5% or more of the Group's total assets).

INVESTMENT STRATEGY

1. Investment Policy and Objectives

The Company's investment policy aims to preserve and enhance the value of its assets, while exploring strategic opportunities that align with the Company's principal business operations. These investments are aimed at generating sustainable value, maintaining sufficient liquidity for our operational needs, and fostering potential synergies with other investee enterprises to support the Company's long-term growth in the future.

The Company's scope of investment includes, but is not limited to, the following primary asset classes:

- Wealth management products: the Company's idle liquidity is mainly allocated to financial instruments with a comparatively high degree of principal protection, primarily including structured deposits issued by commercial banks, as well as wealth management products issued by reputable commercial banks and securities firms with risk ratings mainly of R1 and R2. Among them, structured deposits are principal-protected floating return products, where the principal is protected by the deposit insurance system, and returns that are linked to market benchmarks including exchange rates and interest rates float with their performance. Wealth management products are non-principal-protected floating return products, with underlying assets mainly being low-risk assets such as interbank deposits, money market instruments, fixed income assets and income certificates. All the above investments are made on the premise of safeguarding the principal security and maintaining liquidity, so as to achieve steady appreciation of idle funds on the basis of meeting daily fund arrangements.

- Limited partnerships: the Group participates in venture capital investments of partnerships as a limited partner. The relevant assets invested by such limited partnerships are mainly growth-oriented high-tech enterprises, such as cutting-edge innovative fields including AI innovative applications, advanced manufacturing, embodied intelligence, quantum computing, controllable nuclear fusion, and aerospace. Such investments are generally subject to full fulfillment of pre-investment due diligence review by the Investment Decision Committee of the Company (the "Investment Committee"), and undergo a complete end-to-end post-investment management.

- Unlisted equity securities: investments in private companies that offer opportunities for cooperation, joint ventures, or integration with the Company's business operations, as well as startups or growth-stage companies with innovative business models or untapped market potential, or companies operating in emerging industries or markets that align with the Company's long-term development strategy. Such investments are expected to not only bring financial returns, but also provide opportunities for strategic partnerships, joint development, and knowledge sharing, driving mutual growth for both parties. Such investments are generally subject to full fulfillment of pre-investment due diligence review by the Investment Committee, and undergo a complete end-to-end post-investment management.

- Listed equity securities: main investments are dynamically and evenly allocated between value-oriented high-dividend stocks and growth-oriented high-potential stocks, with an overall highly diversified shareholding structure and strictly controlled drawdowns. Unless otherwise approved by the Investment Committee, investments are limited to trading shares on recognized stock exchanges (such as the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the New York Stock Exchange, NASDAQ, the Stock Exchange, and the London Stock Exchange). Investments are generally not permitted in companies that have been suspended from trading for a long period, companies with significant regulatory or legal uncertainties, or companies with obvious signs of delisting risks.

Although the above categories represent the focus of the Company's investment activities, the Company maintains flexibility as to whether to invest in (including but not limited to) trust products, cryptocurrencies, and financial derivatives. Such investments are subject to the approval of the Investment Committee.

The Company's investment approach emphasizes the combination of long-term investments for sustainable growth and strategic cooperation with short-term investments aimed at maintaining liquidity and seizing immediate market opportunities.

2. Risk Management and Control Measures

The Company has established a robust risk management framework to safeguard its investments and ensure a balance between risk and return.

(1) Defining risk limits and indicators:

The Company assesses risks in terms of liquidity, valuation, regulation, and foreign exchange, among others. It evaluates and mitigates these risks using quantifiable metrics such as portfolio concentration, credit ratings, and market risk exposure. Overall portfolio risk is reduced through diversification strategies across asset classes, sectors, and regions.

- Liquidity buffer: the Company maintains a reasonable liquidity buffer to ensure operational flexibility and financial stability. Investing in liquid assets provides the ability to meet financial obligations and make prompt responses to market changes. Unless otherwise approved by the Investment Committee, at least 20% of the total portfolio will be dynamically maintained in highly liquid assets to ensure operational flexibility and financial stability. The Group will ensure that its existing working capital is sufficient to meet the Group's operational needs for at least the next 12 months.

- Credit risk: unless otherwise approved by the Investment Committee, the minimum credit rating for bond investments, if involved, should be BBB+ or equivalent.

- Counterparty risk: the Company conducts comprehensive due diligence on counterparties, evaluating their credit standing, financial stability, and compliance with regulatory requirements. Only counterparties that meet the Company's risk tolerance and performance standards will be selected. Unless otherwise approved by the Investment Committee, the transaction amount with any single counterparty shall not exceed 30% of the Company's total portfolio.

- Other risks: risks such as foreign exchange risk, valuation risk, and regulatory changes will be prudently evaluated.

The Company conducts quarterly reviews of investments based on key performance indicators including return on investment (ROI), risk-adjusted returns, and contribution to corporate strategy. If the fair value of any single product at the end of the period decreases by 50% or more as compared to its initial investment cost, the product must initiate an exit and stop-loss assessment, and the Investment Committee shall determine follow-up arrangements (including but not limited to maintaining the investment unchanged, reducing holdings, redeeming, closing positions, or other disposal methods recognized by the Investment Committee), so as to control risks and prevent further losses. The financial management center of the Company evaluates the financial condition and operating performance of all investment portfolios and provides regular updates to the Investment Committee.

The Company continues to monitor its investment portfolio by tracking market dynamics, regulatory changes, and macroeconomic conditions. The Company conducts regular reviews to ensure that the investment portfolio remains aligned with the Company's objectives and risk tolerance.

3. Approval and Monitoring Mechanism

The Investment Committee is responsible for overseeing the Company's investment policies and activities, reporting directly to the Board, and ensuring that all decisions are consistent with the Company's corporate objectives. The Investment Committee, which comprises senior management including three executive Directors, the person-in-charge of finance, and the person-in-charge of investment of the Company, is primarily responsible for reviewing and approving major investment decisions, monitoring portfolio performance, and making necessary adjustments to investment strategies or timely exits. It evaluates proposals based on factors such as growth potential, synergy opportunities, risk-adjusted returns, and alignment with the Company's strategy.

Investments other than wealth management investments are overseen by the Investment Committee. Wealth management investments remain subject to disclosure obligations and/or shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules, and appropriate disclosure shall be made or shareholders' approval procedures shall be carried out in a timely manner.

(1) Wealth management products

i. Control list and updates

A control list for wealth management products has been established in respect of wealth management transactions, with detailed particulars updated immediately upon any subscription or redemption transaction, including: date of subscription or redemption, amount of subscription or redemption, interest earned, cumulative amount subscribed, cumulative amount redeemed and interest, remaining amount unredeemed, size test calculations (not calculated on the basis of cumulative figures for the past 12 months), cumulative amount subscribed within the past 12 months, cumulative interest earned within the past 12 months, aggregate of cumulative amount redeemed and interest within the past 12 months, results of size test calculations based on cumulative figures, etc.

The control list for wealth management products is jointly prepared by staff of the financial management center and the investor relations department, and is reviewed and approved by the person-in-charge of finance and the person-in-charge of information disclosure of the Company.

ii. Pre-transaction review and approval

Prior to entering into any wealth management transaction, the Group's financial management center and investor relations department must:

(i) review and verify the transaction details to ensure accuracy and compliance with regulatory requirements;

(ii) review and monitor the total outstanding balance of investments with the same institution within a 12-month period;

(iii) verify the accuracy of the size test calculations;

(iv) assess and confirm whether the proposed transaction triggers any disclosure obligations and/or shareholders' approval requirements under Chapter 14 of the Listing Rules;

(v) report the proposed transaction and its Listing Rules implications to the Group's management, and submit size test calculations for approval.

The above matters are subject to joint review and approval by the person-in-charge of finance and the person-in-charge of information disclosure of the Company. The relevant transaction may only be entered into after the Group's management has assessed and confirmed the Listing Rules implications, and the Group has complied with the applicable requirements under the Listing Rules.

(2) Other investments

i. Approval process

All other investment proposals are subject to individual review and approval by the Investment Committee. Investment proposals must include detailed analysis, decision-making bases, and supporting data. The Investment Committee may seek advice from external experts and consultants wherever necessary. Investment proposals are subject to comprehensive review to ensure compliance with the Company's risk management framework and alignment with its objectives. The Investment Committee ultimately votes on whether to approve the investment. Approval of investments by the Board and Shareholders is subject to the provisions of Chapter 14 and Chapter 14A of the Listing Rules.

ii. Monitoring and reporting

The Investment Committee reviews the investment portfolio under its supervision on an annual basis and reports the results to the Board. While the Investment Committee discusses investment opportunities from time to time, the financial management center provides quarterly updates to ensure transparency and accountability. The Investment Committee may conduct independent audits to evaluate compliance with investment policies and risk management measures.

Management Discussion and Analysis

Material acquisitions and disposals of assets

During the six months ended 30 June 2026 and up to the date of this report, there were no material acquisitions and disposals of assets.

Off-balance sheet arrangements

The Group has not entered into and has no intention to enter into any off-balance sheet arrangements. The Group has not entered into any financial guarantees or made other commitments to guarantee the payment obligations of any third parties.

Pledge of assets by the Group

As of 30 June 2026, the Group obtained borrowings and loans pledged by assets, and the amount of the secured assets was RMB36.1 million (31 December 2025: RMB35.8 million).

Foreign currency exchange risks

For the six months ended 30 June 2026, most of the Group's transactions denominated in non-RMB were denominated in U.S. dollars and Hong Kong dollars. The management team closely monitors foreign currency exchange risks to ensure that appropriate measures are implemented in a timely and effective manner. In the past, the Group has not incurred any significant foreign currency exchange losses in its operations. The management will continue to monitor the Group's foreign exchange risk exposure and consider adopting prudent measures as appropriate.

Event after the Reporting Period

The Group did not have any significant events after 30 June 2026 and up to the date of this report.

Other Information

COMPLIANCE WITH THE CG CODE

The Company has adopted the code provisions set out in the CG Code as its own corporate governance framework. The Company complied with the code provisions as set out in the CG Code for the six months ended 30 June 2026, save for the deviations from code provision C.2.1 as disclosed below.

Under code provision C.2.1 of the CG Code, the roles of chairman and the chief executive officer should be separated and should not be performed by the same individual.

Mr. Jiang Xiaohuang is currently the Chairman and CEO of the Company. Due to Mr. Jiang's background, qualifications and experiences in the Company, he is considered to be the best candidate for both roles at present. The Board considers that Mr. Jiang's dual role at this stage is conducive to maintaining the continuity of the Company's policies and the operation efficiency and stability of the Company, which is appropriate and in the best interest of the Company and Shareholders.

Besides, all major decisions of the Company have been made in consultation with members of the Board and appropriate committees, as well as the Senior Management. In addition, Directors are encouraged to participate actively in all meetings of the Board and of such Board committees of which they are members, and the Chairman ensures that all issues raised are properly briefed at the Board meetings, and he works with the Senior Management to provide adequate, accurate, clear, complete and reliable information to all members of the Board in a timely manner. Further, the Board meets with Mr. Jiang regularly to discuss issues relating to the operation of the Group.

The Board is therefore of the view that there is an adequate balance of power and that appropriate safeguards are in place. Mr. Jiang holding both positions of the Chairman and CEO of the Company will not have any impact on the balance between power and authority of the Board and the Senior Management. However, the Board will continue to regularly monitor and review the Company's current structure and to make necessary changes when appropriate.

COMPLIANCE WITH THE MODEL CODE ON SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct regarding securities transactions by Directors. The Company has made specified enquiry with all the Directors, and each of them has confirmed that during the six months ended 30 June 2026, they have always complied with the required standards contained in the Model Code.

The Company has also established employee stock trading regulations on terms no less exacting than the Model Code for employees who are likely to be in possession of unpublished price-sensitive data of the Company. No incident of non-compliance of the employee stock trading regulations by the employees was noted by the Company.

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2026.

Other Information

AUDIT COMMITTEE

Our Company has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code. The members of the Audit Committee are Mr. Zhu Wei, Mr. Zhang Jinsong and Ms. Tang Haiyan, all of whom are independent non-executive Directors. Mr. Zhu Wei is the chairman of the Audit Committee who possesses suitable professional qualifications. The primary duties of the Audit Committee are to make recommendations to our Board on the appointment, re-appointment and removal of external auditors; review the financial statements; provide material advice in respect of our financial reporting process; oversee our internal control and risk management systems and audit process; and provide advice and comment to our Board on matters related to corporate governance.

The Audit Committee has reviewed and discussed the Group's unaudited consolidated interim financial statements for the six months ended 30 June 2026 and this interim report and has met with the Auditor who has reviewed the interim financial statements in accordance with Hong Kong Standard on Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity" issued by the Hong Kong Institute of Certified Public Accountants. The Audit Committee has also reviewed the accounting principles and practices adopted by the Group and discussed auditing, risk management, internal control and financial reporting matters.

CHANGE IN INFORMATION OF DIRECTORS

There was no change in the information of our Directors subsequent to the publication of 2025 annual report which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

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

During the period for the six months ended 30 June 2026, neither the Company nor any of its Subsidiaries purchased, sold or redeemed the listed securities of the Company (including sale of treasury shares (as defined under the Listing Rules)). As at 30 June, 2026, the Company did not hold any treasury shares (as defined under the Listing Rules).

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this report, at least 25% of the Company's total number of issued Shares were held by the public at all time since the Listing Date.

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

As at 30 June 2026, the interests or short positions of the Directors and chief executives 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 SFO), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be recorded in the register referred to herein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Interests in Shares or underlying Shares of the Company as at 30 June 2026			
Name	**Capacity/Nature of interest**	**Number of Shares held/ interested**	**Approximate percentage of interest(2)**
Mr. Jiang Xiaohuang(3)(4)(5)(6)	Interest of a controlled corporation/ Founder of a discretionary trust	1,252,508,157 (L)(1)	57.43%
Mr. Xu Lin(7)	Interest of a controlled corporation	7,141,974 (L)(1)	0.33%
	Beneficial owner	1,776,000 (L)(1)	0.08%
Mr. Sun Bo(8)(9)	Interest of a controlled corporation	3,570,987 (L)(1)	0.16%
	Beneficial owner	1,650,000 (L)(1)	0.08%
	Person having a right to require delivery of the underlying Shares	702,000 (S)(1)	0.03%

Notes:

(1) The letter "L" denotes the person's long position in the Shares of the Company. The letter "S" denotes the person's short position in the Shares of the Company.

(2) The calculation is based on the total number of 2,180,850,000 Shares in issue as at 30 June 2026.

(3) 941,774,116 Shares are registered under the name of Eternal Heart Holdings Limited, the issued share capital of which is owned as to 100% by Gorgeous Sunshine Holding Limited, which is in turn the holding vehicle wholly-owned by TMF (Cayman) Ltd., the trustee of Jiang Family Trust. Jiang Family Trust is a discretionary trust established by Mr. Jiang as the settlor and protector. Accordingly, Mr. Jiang is deemed to be interested in the Shares held by Eternal Heart Holdings Limited for the purpose of Part XV of the SFO.

(4) 90,500,000 Shares are registered under the name of Ling Long Holdings Limited, the issued share capital of which is owned as to 100% by Gorgeous Sunshine Holding Limited, which is in turn the holding vehicle wholly-owned by TMF (Cayman) Ltd., the trustee of Jiang Family Trust. Jiang Family Trust is a discretionary trust established by Mr. Jiang as the settlor and protector. Accordingly, Mr. Jiang is deemed to be interested in the Shares held by Ling Long Holdings Limited for the purpose of Part XV of the SFO.

(5) 197,086,000 Shares are registered under the name of Warm Sunshine Holdings Limited, the issued share capital of which is owned as to 100% by Future Wisdom Holdings Limited, which is in turn wholly-owned by Mr. Jiang. Accordingly, Mr. Jiang is deemed to be interested in the Shares held by Warm Sunshine Holdings Limited for the purpose of Part XV of the SFO.

(6) 23,148,041 Shares are registered under the name of Agile Eagle Holdings Limited, the issued share capital of which is owned as to 100% by Mr. Jiang. Accordingly, Mr. Jiang is deemed to be interested in the Shares held by Agile Eagle Holdings Limited for the purpose of Part XV of the SFO.

(7) 7,141,974 Shares are registered under the name of Purple Crystal Holdings Limited, the issued share capital of which is owned as to 100% by Purple Dream Holdings Limited, which is in turn owned as to 17.24% by Mr. Xu. Accordingly, Mr. Xu is deemed to be interested in the Shares held by Purple Crystal Holdings Limited for the purpose of Part XV of the SFO.

(8) 3,570,987 Shares are registered under the name of Purple Crystal Holdings Limited, the issued share capital of which is owned as to 100% by Purple Dream Holdings Limited, which is in turn owned as to 8.62% by Mr. Sun. Accordingly, Mr. Sun is deemed to be interested in the Shares held by Purple Crystal Holdings Limited for the purpose of Part XV of the SFO.

(9) Pursuant to the Share Award Scheme, 502,000 Awarded Shares and 200,000 Awarded Shares were vested in Mr. Sun on 31 January 2021 and 31 January 2025, respectively.

Save as disclosed above, as at 30 June 2026, none of the Directors nor the chief executives of the Company had any interests or short positions in any of the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code; or to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO.

ARRANGEMENT FOR DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

At no time during the six months ended 30 June 2026 was the Company or any of its Subsidiaries a party to any arrangement to enable a Director to acquire benefits by means of the acquisition of Shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2026, to the best knowledge of the Company and the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Interests in Shares or underlying Shares of the Company as at 30 June 2026			
Name	**Capacity/Nature of interest**	**Number of Shares held/ interested**	**Approximate percentage of interest[2]**
Mr. Jiang Xiaohuang[3][4][5]	Interest of a controlled corporation/ Founder of a discretionary trust	1,252,508,157 (L)[1]	57.43%
Ms. Mao Yuyan[6]	Interest of spouse	1,252,508,157 (L)[1]	57.43%
TMF (Cayman) Ltd.[3]	Trustee of a trust	1,032,274,116 (L)[1]	47.33%
Gorgeous Sunshine Holding Limited[3]	Interest of a controlled corporation	1,032,274,116 (L)[1]	47.33%
Eternal Heart Holdings Limited	Beneficial owner	941,774,116 (L)[1]	43.18%
Ling Long Holdings Limited	Beneficial owner	90,500,000 (L)[1]	4.15%
Future Wisdom Holdings Limited[4]	Interest of a controlled corporation	197,086,000 (L)[1]	9.04%
Warm Sunshine Holdings Limited	Beneficial owner	197,086,000 (L)[1]	9.04%
Agile Eagle Holdings Limited[5]	Beneficial owner	23,148,041 (L)[1]	1.06%

Notes:

(1) The letter "L" denotes the person's long position in the Shares of the Company.

(2) The calculation is based on the total number of 2,180,850,000 Shares in issue as at 30 June 2026.

(3) Eternal Heart Holdings Limited and Ling Long Holdings Limited are wholly-owned by Gorgeous Sunshine Holding Limited which is the holding vehicle wholly-owned by TMF (Cayman) Ltd., the trustee of Jiang Family Trust. Jiang Family Trust is a discretionary trust established by Mr. Jiang as the settlor and protector. Accordingly, each of Mr. Jiang, Gorgeous Sunshine Holding Limited and TMF (Cayman) Ltd. is deemed to be interested in the Shares held by Eternal Heart Holdings Limited and Ling Long Holdings Limited.

(4) Warm Sunshine Holdings Limited is wholly-owned by Future Wisdom Holdings Limited which is in turn wholly-owned by Mr. Jiang. Accordingly, each of Mr. Jiang and Future Wisdom Holdings Limited is deemed to be interested in the Shares held by Warm Sunshine Holdings Limited.

(5) Agile Eagle Holdings Limited is wholly owned by Mr. Jiang. Accordingly, Mr. Jiang is deemed to be interested in the Shares held by Agile Eagle Holdings Limited .

(6) Ms. Mao Yuyan is the spouse of Mr. Jiang and therefore she is deemed to be interested in all the Shares held by Mr. Jiang by virtue of the SFO.

Save as disclosed above, as at 30 June 2026, the Directors were not aware of any persons (who were not Directors or chief executives of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

Other Information

SHARE AWARD SCHEME

The Board approved the adoption of the Share Award Scheme of the Company on 14 September 2020.

Objectives of the Share Award Scheme

1. to further improve the Group's incentive system, align the interests of certain Eligible Participants with the Group's interests and encourage them to create long-term value for the Group; and

2. to attract and motivate key professional talents to enhance the competitiveness and promote the sustainable development of the Group.

Eligible Participants of the Share Award Scheme

Any Directors, senior and mid-level management, core technical personnel and key employees who, at the absolute discretion of the Board, will contribute or have contributed to any member of the Group.

Administration of the Share Award Scheme

1. The Share Award Scheme is subject to the administration of the Scheme Rules and the terms of the Trust Deed (as the case may be);

2. The Board may, by passing ordinary resolutions, appoint any one or more senior management of the Company as Authorised Representative(s) (or form an advisory committee) to give instructions or notices to the Trustee on all matters in connection with the Share Award Scheme and other matters in the routine administration of the Trust; and

3. The Trustee will hold the Shares and the income derived therefrom in accordance with the Scheme Rules and subject to the terms of the Trust Deed.

Sources of Awarded Shares of the Share Award Scheme

1. Mr. Jiang Xiaohuang, the controlling shareholder of the Company, indirectly transferred 80,000,000 shares of the Company (representing approximately 3.7% of the total number of issued Shares of the Company as of the date of this report) as a gift, at nil consideration, as the pool of Shares; and

2. Since the adoption of the Share Award Scheme and up to 30 June 2026, a total of 108,392,000 Shares of the Company (representing approximately 5.0% of the total number of issued Shares of the Company as of the date of this report) are purchased as the pool of Shares under the Share Award Scheme.

Limit of the Share Award Scheme

The Board shall not make any further grant of award such that the total number of Shares granted under the Share Award Scheme will exceed 10% of the total number of issued Shares as of the Adoption Date.

If the relevant subscription or purchase would result in the Trustee holding in aggregate, more than 10% of the total number of issued Shares of the Company as of the Adoption Date, the Trustee shall not subscribe, purchase or accept any further Shares.

Save as prescribed in the Share Award Scheme or as otherwise restricted by the Listing Rules, for any 12-month period, the aggregate number of Shares granted to any Eligible Participant shall not exceed 1% of the total number of the issued Shares at the relevant time, without Shareholders' approval.

The Share Award Scheme has no service provider sublimit under Chapter 17 of the Listing Rules.

Voting Rights

The Trustee shall not exercise the voting rights in respect of any Shares held under the Trust.

Duration and Termination of the Share Award Scheme

The Share Award Scheme shall be effective from the Adoption Date and shall be terminated at the earlier of (i) the tenth anniversary from the Adoption Date; or (ii) the date of early termination determined by Authorised Representative(s) (or the advisory committee). The termination of this Share Award Scheme shall not cause any material and adverse effect to any existing rights of any Selected Participants under this Share Award Scheme.

As at 30 June 2026, the remaining life of the Share Award Scheme was approximately 4 years, provided that the Board may decide early termination in accordance with the relevant rules under the Share Award Scheme (as amended from time to time).

Implementation of the Share Award Scheme

1. On 14 September 2020, Mr. Jiang Xiaohuang, a controlling shareholder of the Company, decided to indirectly transfer an aggregate of 80,000,000 Shares of the Company as a gift within three years, at nil consideration, as the pool of Shares of the Share Award Scheme.

2. On 1 December 2020, Mr. Jiang Xiaohuang completed the first annual share contribution plan and indirectly transferred an aggregate of 40,000,000 Shares of the Company as a gift at nil consideration, as the pool of Shares of the Share Award Scheme.

3. On 28 December 2020, the Board, based on the recommendation of the Remuneration Committee of the Company, resolved to grant a total of 40,000,000 Awarded Shares, which have been held by the Trustee on behalf of the Selected Participants, at nil consideration to the share award grantees. The grant of Awarded Shares has been effective from 1 January 2021. The share award grantees include (1) Mr. Wu Jie, a former executive Director (awarded 2,000,000 Shares of the Company); (2) Mr. Sun Bo, an executive Director (awarded 2,000,000 Shares of the Company); and (3) employees of the Group (awarded 36,000,000 Shares of the Company). These Awarded Shares were granted as a gift at nil consideration with an exercise period ranging from 1 month to 49 months.

4. On 28 June 2021, Mr. Jiang Xiaohuang completed the second annual share contribution plan and indirectly transferred an aggregate of 20,000,000 Shares of the Company as a gift at nil consideration, as the pool of Shares of the Share Award Scheme.

5. On 4 January 2022, the Board, based on the recommendation of the Remuneration Committee of the Company, resolved to grant an aggregate of 16,000,000 Awarded Shares held by the Trustee on behalf of the Selected Participants at nil consideration to the share award grantees. The grant of Awarded Shares has been effective from 5 January 2022. The Share Award Grantees are employees (excluding the Directors) of the Group. These Awarded Shares were granted as a gift at nil consideration with an exercise period ranging from 1 month to 37 months.

6. On 22 July 2022, Mr. Jiang Xiaohuang completed the third annual share contribution plan and indirectly transferred an aggregate of 20,000,000 Shares of the Company at nil consideration as the pool of Shares of the Share Award Scheme. By that time, the three-year gift plan of Mr. Jiang Xiaohuang has been fully completed.

7. On 2 and 5 January 2023, the Board, based on the recommendation of the Remuneration Committee of the Company, resolved to grant 2,152,000 and 6,461,600 Awarded Shares respectively, which have been held by the Trustee on behalf of the Selected Participants, at nil consideration to the Share Award Grantees. The grant of Awarded Shares has been effective from 2 and 5 January 2023 respectively. The Share Award Grantees are employees (excluding the Directors) of the Group. These Awarded Shares were granted as a gift at nil consideration with an exercise period ranging from 1 month to 37 months.

8. On 2 September 2024, the Board, based on the recommendation of the Remuneration Committee of the Company, resolved to grant 1,600,000 Awarded Shares, which have been held by the Trustee on behalf of the Selected Participants, at nil consideration to the Share Award Grantees. The grant of Awarded Shares has been effective from 2 September 2024. The Share Award Grantees are employees (excluding the Directors) of the Group. These Awarded Shares were granted as a gift at nil consideration with an exercise period ranging from the date of grant to 11 months.

9. On 31 December 2024, the Board, based on the recommendation of the Remuneration Committee of the Company, resolved to grant 18,857,000 Awarded Shares, which have been held by the Trustee on behalf of the Selected Participants, at nil consideration to the Share Award Grantees. The grant of Awarded Shares has been effective from 31 December 2024. The Share Award Grantees are employees (excluding the Directors) of the Group. These Awarded Shares were granted as a gift at nil consideration with an exercise period ranging from the date of grant to 37 months.

10. On 23 March 2026, the Board, based on the recommendation of the Remuneration Committee of the Company, resolved to grant 10,254,500 Awarded Shares, which have been held by the Trustee on behalf of the Selected Participants, at nil consideration to the Share Award Grantees. The grant of Awarded Shares has been effective from 23 March 2026. The Share Award Grantees are employees (excluding the Directors) of the Group. These Awarded Shares were granted as a gift at nil consideration with an exercise period ranging from the date of grant to 22 months.

11. On 26 June 2026, the Board, based on the recommendation of the Remuneration Committee of the Company, resolved to grant 9,531,500 Awarded Shares, which have been held by the Trustee on behalf of the Selected Participants, at nil consideration to the Share Award Grantees. The grant of Awarded Shares has been effective from 26 June 2026. The Share Award Grantees are employees (excluding the Directors) of the Group. These Awarded Shares were granted as a gift at nil consideration with exercise periods all being the date of grant.

12. Since the adoption of the Share Award Scheme and up to 30 June 2026, a total of 108,392,000 Shares of the Company have been purchased as the pool of Shares under the Share Award Scheme.

During the six months ended 30 June 2026, a total of 19,786,000 Awarded Shares were granted at nil consideration under the Share Award Scheme. For the fair value of the Awarded Shares at the date of grant and the accounting standards and policies adopted, please refer to Note 17 to the financial statements.

The number of Shares available for grant under the Share Award Scheme as at 31 December 2025 and 30 June 2026 was 120,598,000 Shares and 108,392,000 Shares, respectively, representing approximately 5.5% and approximately 5.0% of the total number of Shares in issue as at 31 December 2025 and 30 June 2026, respectively.

Set out below are the details of the number of Awarded Shares granted and movements under the Share Award Scheme for the six months ended 30 June 2026:

Name or category of the participant	Date of grant	Vesting period	Purchase price	Unvested as at 31 December 2025	Number of Awarded Shares: Granted during the period	Vested during the period	Lapsed during the period	Cancelled during the period	Unvested as at 30 June 2026
Five highest paid individuals (excluding directors) during the Reporting Period in aggregate									
In aggregate	31 December 2024	31 December 2024 to 31 January 2026	nil[4]	600,000	–	(600,000) [1]	–	–	–
		31 December 2024 to 31 January 2027	nil[4]	800,000	–	–	–	–	800,000
In aggregate	23 March 2026	23 March 2026 to 23 March 2026	nil[4]	–	4,000,000	(4,000,000) [2]	–	–	–
		23 March 2026 to 31 January 2027	nil[4]	–	800,000	–	–	–	800,000
		23 March 2026 to 31 January 2028	nil[4]	–	200,000	–	–	–	200,000
In aggregate	26 June 2026	26 June 2026 to 26 June 2026	nil[4]	–	9,000,000	(9,000,000) [3]	–	–	–
Employee Participants									
In aggregate	31 December 2024	31 December 2024 to 31 January 2026	nil[4]	3,335,000	–	(3,335,000) [1]	–	–	–
		31 December 2024 to 31 January 2027	nil[4]	3,125,000	–	–	–	–	3,125,000
		31 December 2024 to 31 January 2028	nil[4]	300,000	–	–	–	–	300,000
In aggregate	23 March 2026	23 March 2026 to 23 March 2026	nil[4]	–	3,664,500	(3,664,500) [2]	–	–	–
		23 March 2026 to 31 January 2027	nil[4]	–	1,360,000	–	–	–	1,360,000
		23 March 2026 to 31 January 2028	nil[4]	–	230,000	–	–	–	230,000
In aggregate	26 June 2026	26 June 2026 to 26 June 2026	nil[4]	–	531,500	(531,500) [3]	–	–	–
				8,160,000	19,786,000	(21,131,000)	–	–	6,815,000

Notes:

(1) These Shares were all vested on the same date and the weighted average closing price of the Shares on the trading day (i.e. the closing price on 30 January 2026) immediately before the date (31 January 2026) on which the Awarded Shares were vested during the Reporting Period was HK$0.61.

(2) These Shares were all vested on the same date and the weighted average closing price of the Shares on the trading day (i.e. the closing price on 20 March 2026) immediately before the date (23 March 2026) on which the Awarded Shares were vested during the Reporting Period was HK$0.465.

(3) These Shares were all vested on the same date and the weighted average closing price of the Shares on the trading day (i.e. the closing price on 25 June 2026) immediately before the date (26 June 2026) on which the Awarded Shares were vested during the Reporting Period was HK$0.375.

(4) As all the aforementioned Awarded Shares are donated by Mr. Jiang Xiaohuang, the Board has decided to grant the aforementioned Awarded Shares to the Eligible Participants at nil consideration.

(5) There is no participant with Awarded Shares granted and to be granted in excess of the 1% individual limit, nor related entity participant or service provider with Awarded Shares granted and to be granted in any 12-month period exceeding 0.1% of the relevant class of shares in issue.

(6) Due to inconsistencies between the five highest paid individuals for the year ended 31 December 2025 and the six months ended 30 June 2026, the breakdown of "Unvested as at 1 January 2026" in this report is inconsistent with that of "Unvested as at 31 December 2025" in the 2025 annual report, but the total amount of unvested Awarded Shares as at 31 December 2025 and 1 January 2026 is consistent.

(7) During the Reporting Period, no Awarded Shares were granted to or vested in any Directors, chief executive or substantial Shareholders of the Company, or their respective associates; and as at 30 June 2026, no unvested Awarded Shares were held by any Directors, chief executive or substantial Shareholders of the Company, or their respective associates.

CONTINUING DISCLOSURE OBLIGATION PURSUANT TO THE LISTING RULES

Save as disclosed in this interim report, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

Review Report

Review report to the board of directors of FriendTimes Inc.
(Incorporated in Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 38 to 60 which comprises the consolidated statement of financial position of FriendTimes Inc. as of 30 June 2026 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity and condensed consolidated cash flow statement for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report 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 directors are responsible for the preparation and presentation of this interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to express a conclusion, based on our review, on this interim financial report 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 Hong Kong Institute of Certified Public Accountants. A review of interim financial report consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2026 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 *Interim financial reporting*.

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
18 August 2026

Consolidated Statement of Profit or Loss

for the six months ended 30 June 2026 — unaudited

(Expressed in Renminbi)

		Six months ended 30 June	
	Note	**2026 RMB'000**	2025 RMB'000
Revenue	4	**599,494**	623,463
Cost of sales		**(148,877)**	(164,350)
Gross profit		**450,617**	459,113
Other net income	5	**4,540**	14,065
Sales and marketing expenses		**(306,376)**	(292,062)
Research and development expenses		**(154,045)**	(131,831)
General and administrative expenses		**(17,972)**	(17,837)
(Loss)/profit from operations		**(23,236)**	31,448
Finance costs		**(723)**	(1,424)
Changes in fair value of financial assets measured at fair value through profit or loss ("FVPL")		**118,617**	20,560
Profit before taxation	6	**94,658**	50,584
Income tax	7	**(23,799)**	(9,871)
Profit for the period		**70,859**	40,713
Earnings per share			
Basic and diluted (RMB)	8	**0.03**	0.02

The accompanying notes form parts of the financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the six months ended 30 June 2026 — unaudited

(Expressed in Renminbi)

	Six months ended 30 June	
	2026 RMB'000	2025 RMB'000
Profit for the period	**70,859**	40,713
Other comprehensive income for the period		
Item that will not be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of the Company	**(2,444)**	(1,065)
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of subsidiaries outside Chinese Mainland	**(632)**	(173)
Other comprehensive income for the period	**(3,076)**	(1,238)
Total comprehensive income for the period	**67,783**	39,475

The accompanying notes form parts of the financial statements.

Consolidated Statement of Financial Position

as at 30 June 2026 — unaudited

(Expressed in Renminbi)

	Note	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Non-current assets			
Property, plant and equipment	9	**195,387**	202,718
Intangible assets		**4,268**	2,196
Right-of-use assets		**7,049**	7,469
Financial assets measured at FVPL	10	**298,085**	106,847
Other receivables	11	**7,187**	7,187
Deferred tax assets	16	**–**	7,270
Time deposits	13	**144,910**	185,347
		656,886	519,034
Current assets			
Contract costs		**4,969**	3,555
Financial assets measured at FVPL	10	**281,540**	356,510
Trade and other receivables	11	**73,283**	61,226
Pledged bank deposits		**1,836**	7,979
Restricted cash		**4,225**	2,626
Cash and cash equivalents	12	**194,449**	153,015
Time deposits	13	**263,638**	330,652
		823,940	915,563
Current liabilities			
Trade and other payables	14	**75,886**	98,376
Interest-bearing borrowings	15	**82,051**	70,340
Contract liabilities		**30,483**	20,205
Current taxation		**–**	1,400
Lease liabilities		**–**	685
		188,420	191,006

Consolidated Statement of Financial Position

as at 30 June 2026 — unaudited

(Expressed in Renminbi)

	Note	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Net current assets		**635,520**	724,557
Total assets less current liabilities		**1,292,406**	1,243,591
Non-current liabilities			
Contract liabilities		**1,827**	3,593
Deferred tax liabilities	16	**15,896**	-
NET ASSETS		**1,274,683**	1,239,998
CAPITAL AND RESERVES	17		
Share capital		**154**	154
Reserves		**1,274,529**	1,239,844
TOTAL EQUITY		**1,274,683**	1,239,998

Approved and authorised for issue by the Board of Directors on 18 August 2026.

Jiang Xiaohuang
Executive Director

Sun Bo
Executive Director

The accompanying notes form parts of the financial statements.

Consolidated Statement of Changes in Equity

for the six months ended 30 June 2026 — unaudited

(Expressed in Renminbi)

	Share capital RMB'000	Share premium RMB'000	Share Award Scheme RMB'000	Capital reserve RMB'000	PRC Statutory reserve RMB'000	Exchange reserve RMB'000	Fair value reserve (non-recycling) RMB'000	Retained earnings RMB'000	Total equity RMB'000
Balance at 1 January 2025	154	19,637	(61,433)	220,132	25,830	183	(5,900)	951,473	1,150,076
Changes in equity for the six months ended 30 June 2025:									
Profit for the period	–	–	–	–	–	–	–	40,713	40,713
Other comprehensive income	–	–	–	–	–	(1,238)	–	–	(1,238)
Total comprehensive income	–	–	–	–	–	(1,238)	–	40,713	39,475
Shares held for share award scheme	–	–	(896)	–	–	–	–	–	(896)
Equity settled share-based payments	–	–	–	2,105	–	–	–	–	2,105
Balance at 30 June 2025 and 1 July 2025	154	19,637	(62,329)	222,237	25,830	(1,055)	(5,900)	992,186	1,190,760
Changes in equity for the six months ended 31 December 2025:									
Profit for the period	–	–	–	–	–	–	–	52,452	52,452
Other comprehensive income	–	–	–	–	–	(305)	–	–	(305)
Total comprehensive income	–	–	–	–	–	(305)	–	52,452	52,147
Shares held for share award scheme	–	–	(4,381)	–	–	–	–	–	(4,381)
Equity settled share-based payments	–	–	–	1,472	–	–	–	–	1,472
Balance at 31 December 2025	154	19,637	(66,710)	223,709	25,830	(1,360)	(5,900)	1,044,638	1,239,998

Consolidated Statement of Changes in Equity

for the six months ended 30 June 2026 — unaudited

(Expressed in Renminbi)

	Attributable to equity shareholders of the Company								
	Share capital RMB'000	Share premium RMB'000	Share Award Scheme RMB'000	Capital reserve RMB'000	PRC Statutory reserve RMB'000	Exchange reserve RMB'000	Fair value reserve (non-recycling) RMB'000	Retained earnings RMB'000	Total equity RMB'000
Balance at 1 January 2026	154	19,637	(66,710)	223,709	25,830	(1,360)	(5,900)	1,044,638	1,239,998
Changes in equity for the six months ended 30 June 2026:									
Profit for the period	–	–	–	–	–	–	–	70,859	70,859
Other comprehensive income	–	–	–	–	–	(3,076)	–	–	(3,076)
Total comprehensive income	–	–	–	–	–	(3,076)	–	70,859	67,783
Dividends (Note 17(a))	–	–	–	–	–	–	–	(36,343)	(36,343)
Shares held for Share Award Scheme	–	–	(3,650)	–	–	–	–	–	(3,650)
Equity settled share-based payments	–	–	–	6,895	–	–	–	–	6,895
Balance at 30 June 2026	154	19,637	(70,360)	230,604	25,830	(4,436)	(5,900)	1,079,154	1,274,683

The accompanying notes form parts of the financial statements.

Condensed Consolidated Cash Flow Statement

for the six months ended 30 June 2026 — unaudited

(Expressed in Renminbi)

	Note	Six months ended 30 June 2026 RMB'000	2025 RMB'000
Operating activities:			
Cash (used in)/generated from operations		**(26,310)**	32,835
Income tax (paid)/received		**(13)**	20
Net cash (used in)/generated from operating activities		**(26,323)**	32,855
Investing activities:			
Payment for purchase of property, plant and equipment, intangible assets and other non-current assets		**(2,953)**	(1,572)
Payment for investments measured at FVPL		**(750,508)**	(760,283)
Proceeds from investments measured at FVPL		**743,652**	690,669
Payment for purchase of time deposits		**(79,726)**	(209,305)
Proceeds from redemption of time deposits		**175,562**	88,214
Interest received		**11,257**	4,082
Net cash generated from/(used in) investing activities		**97,284**	(188,195)
Financing activities:			
Capital element of lease rentals (paid)/received		**(685)**	695
Interest element of lease rentals paid		**(10)**	–
Proceeds from interest-bearing borrowings		**88,972**	38,907
Repayment of interest-bearing borrowings		**(77,974)**	(79,327)
Payment for the repurchase of shares held for Share Award Scheme		**(3,650)**	(896)
Proceeds from pledged deposits for loans arising from discounted bank acceptance bills		**6,000**	–
Proceeds from pledged deposits for securities financing loans		**80**	–
Dividends paid		**(36,343)**	–
Net cash used in financing activities		**(23,610)**	(40,621)
Net increase/(decrease) in cash and cash equivalents		**47,351**	(195,961)
Cash and cash equivalents at the beginning of the period	12	**153,015**	334,825
Effect of foreign exchange rate changes		**(5,917)**	(1,018)
Cash and cash equivalents at the end of the period	12	**194,449**	137,846

The accompanying notes form part of these financial statements.

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

1 CORPORATE INFORMATION

FriendTimes Inc. ("**the Company**") was incorporated in the Cayman Islands on 16 November 2018 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company's shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 8 October 2019.

The Company and its subsidiaries (together, "**the Group**") are a mobile game developer, publisher and operator in ancient Chinese style female-oriented games in the PRC and overseas market.

2 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard ("**HKAS**") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). It was authorised for issue on 18 August 2026.

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

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

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2025 annual financial statements. The condensed consolidated interim financial statements and the accompanying notes do not include all of the information required for a full set of financial statements prepared in accordance with HKFRS Accounting Standards.

The interim financial report is unaudited, but has been reviewed by KPMG 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 HKICPA. KPMG's independent review report to the Board of Directors is included on page 37.

The financial information relating to the financial year ended 31 December 2025 that is included in the interim financial report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. The annual financial statements for the year ended 31 December 2025 are available in the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 24 March 2026.

3 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of amendments to HKFRS Accounting Standards that are first effective for the current accounting period. None of these developments have had a material effect on these financial statements. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 REVENUE AND SEGMENT REPORTING

The Group is principally engaged in provision of mobile game development and publishing services.

For the purpose of resources allocation and performance assessment, the Group's management focuses on the operating results of the Group as a whole. As such, the Group's resources are integrated and no discrete operating segment information is available. Accordingly, no operating segment information is presented.

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by business lines is as follows:

	Six months ended 30 June	
	2026 RMB'000	2025 RMB'000
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by business lines		
— Revenue from self-developed games published by the Group	**590,296**	603,909
— Revenue from self-developed games published through intellectual property license arrangement and others	**9,198**	19,554
	599,494	623,463

For the six months ended 30 June 2026 and 2025, substantially all revenue is recognised over time.

The Group's customer base is diversified and includes nil customer with whom transactions have exceeded 10% of the Group's revenue for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

4 REVENUE AND SEGMENT REPORTING (continued)

(ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

As at 30 June 2026, the aggregated amount of the transaction price allocated to the unsatisfied performance obligations under the Group's existing contract is RMB32,310,000 (31 December 2025: RMB23,798,000), among which RMB30,483,000 (31 December 2025: RMB20,205,000) is expected to be recognised within one year. This amount represents revenue expected to be recognised in the future from unamortised mobile game revenue and unamortised licensing fees. The Group will recognise as the control of services is transferred to the customer, which is expected to occur over the next 30 months.

(iii) Geographic information

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the games were published, the intellectual property was licensed or the services were provided.

	Six months ended 30 June	
	2026 RMB'000	2025 RMB'000
Chinese Mainland	**507,667**	499,335
Overseas	**91,827**	124,128
	599,494	623,463

5 OTHER NET INCOME

	Six months ended 30 June	
	2026 RMB'000	2025 RMB'000
Government grants	**398**	1,581
Interest income from bank deposits	**7,945**	9,040
Income from FVPL	**5,031**	5,215
Net exchange loss	**(9,057)**	(1,696)
Others	**223**	(75)
	4,540	14,065

6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

(a) Staff costs

	Note	Six months ended 30 June 2026 RMB'000	2025 RMB'000
Salaries, bonus and other benefits		**132,888**	121,625
Equity settled share-based payments	16(c)	**6,895**	2,105
Contributions to defined contribution plans	(i)	**25,553**	23,757
		165,336	147,487

(i) Employees of the Group's subsidiaries in the PRC are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government. The Group's subsidiaries in the PRC contribute funds which are calculated on certain percentages of the average employee salary as agreed by the local municipal government to the scheme to fund the retirement benefits of the employees.

The Group's contributions made to the defined contribution retirement scheme are non-refundable and cannot be used to reduce the future or existing level of contribution of the Group should any forfeiture be resulted from the schemes.

The Group has no other material obligation for the payment of retirement benefits associated with the scheme beyond the annual contributions described above.

(b) Other items

	Six months ended 30 June 2026 RMB'000	2025 RMB'000
Depreciation of property, plant and equipment	**8,280**	9,332
Depreciation of right-of-use assets	**420**	543
Amortisation of intangible assets	**1,388**	1,184
Impairment losses recognised in trade and other receivables	**48**	744

7 INCOME TAX

	Six months ended 30 June	
	2026 RMB'000	2025 RMB'000
Current tax:		
Under-provision in prior years	**632**	4,425
Deferred tax:		
Origination and reversal of temporary differences	**23,167**	5,446
	23,799	9,871

8 EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share for the six months ended 30 June 2026 and 2025 is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of ordinary shares in issue.

Weighted average number of ordinary shares in issue

	Six months ended 30 June	
	2026 '000	2025 '000
Ordinary shares at 1 January	**2,180,850**	2,180,850
Effect of shares held for Share Award Scheme	**(95,660)**	(79,678)
Weighted average number of ordinary shares at 31 December	**2,085,190**	2,101,172

	Six months ended 30 June	
	2026	2025
Profit attributable to the equity shareholders of the Company (RMB'000)	**70,859**	40,713
Weighted average number of ordinary shares in issue ('000 shares)	**2,085,190**	2,101,172
Basic earnings per share	**0.03**	0.02

(b) Diluted earnings per share

Diluted earnings per share presented is the same as the basic earnings per share as there were no potentially dilutive ordinary shares issued.

9 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired items of property, plant and equipment with a cost of RMB949,000 (six months ended 30 June 2025: RMB320,000).

10 FINANCIAL ASSETS MEASURED AT FVPL

	Note	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Investment in LLPs	(i)	**294,085**	101,847
Investment in unlisted equity securities		**4,000**	5,000
Investment in wealth management products	(ii)	**205,527**	280,768
Investment in listed equity securities	(iii)	**76,013**	75,742
		579,625	463,357
Financial assets measured at FVPL included in the consolidated financial statement:			
Current		**281,540**	356,510
Non-current		**298,085**	106,847
		579,625	463,357

(i) The investment in LLPs as at 30 June 2026 represent the Group's 10.78%, 6.55%, 5.99%, 0.83%, 9.60%, 34.35%, 9.60%, 80.00%, 10.00%, 2.50% and 2.50% shares in eleven venture capital partnerships as a limited partner. The underlying assets in which these LLPs invested are mainly growth-oriented high-tech enterprises.

(ii) The wealth management products as at 30 June 2026 are issued by creditworthy PRC commercial banks and PRC securities companies with variable interest rate. The underlying assets of the wealth management products primarily consist of the low-risk financial asset portfolio, such as interbank deposits, money market instruments, fixed-income products.

(iii) Listed equity securities as at 30 June 2026 represent the fair value of equity shares listed on an active stock market. The directors of the Company consider that the closing price of the securities is the fair value of the investment. At 30 June 2026, the listed equity securities with the fair value of RMB36,053,000 (31 December 2025: RMB29,629,000) and the pledged deposits with the amount of RMB82,000 (31 December 2025: RMB162,000) are pledged as collateral for the securities financing loans.

11 TRADE AND OTHER RECEIVABLES

	Note	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Trade receivables	(a)	**55,697**	54,842
Less: loss allowance		**(812)**	(764)
Trade receivables, net		**54,885**	54,078
Deposits and prepayments		**1,163**	2,049
VAT deductible		**1,998**	821
Income tax recoverable		**70**	2,080
Other receivables		**22,354**	9,385
		80,470	68,413
Trade and other receivables, net of loss allowance			
— current portion		**73,283**	61,226
— non-current portion		**7,187**	7,187
		80,470	68,413

(a) Ageing analysis

As at 30 June 2026 and 31 December 2025, the ageing analysis of trade receivables, based on the due date and net of allowance, is as follows:

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Within 3 months	**54,861**	54,031
Over 3 months but within 1 year	**836**	811
Less: Loss allowance	**(812)**	(764)
Trade receivables, net	**54,885**	54,078

12 CASH AND CASH EQUIVALENTS

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Cash at banks	**187,980**	145,755
Cash at other financial institutions	**6,469**	7,260
Cash and cash equivalents in the consolidated statement of financial position	**194,449**	153,015

13 TIME DEPOSITS

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Current		
Time deposits with maturity over three months but less than one year	**263,638**	330,652
Non-current		
Time deposits with maturity over one year	**144,910**	185,347
Time deposits in the consolidated statement of financial position	**408,548**	515,999

14 TRADE AND OTHER PAYABLES

	Note	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Trade payables	(a)	**42,680**	41,152
Accrued payroll		**29,546**	51,673
Other payables and accruals		**3,660**	5,551
Trade and other payables		**75,886**	98,376

All trade and other payables are expected to be settled within one year or are repayable on demand.

(a) An ageing analysis of trade payables, based on the invoice date, is as follows:

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Within 3 months	**40,414**	40,737
Over 3 months but within 6 months	**1,856**	16
Over 6 months but within 12 months	**11**	399
Over 1 year	**399**	–
	42,680	41,152

15 INTEREST-BEARING BORROWINGS

	Note	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Securities financing loans	(i)	**15,396**	11,075
Other borrowings	(ii)	**66,655**	59,265
		82,051	70,340

(i) As at 30 June 2026, the securities financing loans of RMB15,396,000 (31 December 2025: RMB11,075,000) were secured by restricted listed equity securities and pledged bank deposits (see Note10(iii)). The loans bore an interest rate of 4.00% per annum and will be repaid through the sale of the related securities.

(ii) As at 30 June 2026, the other borrowings of RMB66,655,000 (31 December 2025: RMB59,265,000) arose from discounted letters of credit, which bore an interest rate ranging from 1.05% to 1.50% per annum and will mature before June 2027.

16 DEFERRED TAX (LIABILITIES)/ASSETS

The components of deferred tax (liabilities)/assets recognised in the consolidated statement of financial position during the period are as follows:

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Deferred tax arising from:		
Change in fair value of financial assets measured at FVPL	**(25,167)**	(4,912)
Cumulative tax losses	**9,271**	12,182
	(15,896)	7,270

17 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

	Six months ended 30 June	
	2026 RMB'000	2025 RMB'000
Final dividends in respect of the previous financial year, approved and paid during the interim period	**36,343**	–

(b) Shares held for Share Award Scheme

During the six months ended 30 June 2026, the Company acquired 7,578,000 ordinary shares through the designated trustees under the share award scheme for the purpose of granting shares (for the six months ended 30 June 2025: 1,420,000 shares).

(c) Equity settled share-based transactions

The Company has adopted a share award scheme on 14 September 2020 (the "**Share Award Scheme**") for the purpose of incentivising directors, senior management and certain key employees for their contribution to the Group, and to attract and retain skilled and experienced personnel for the future growth of the Group by providing them with the opportunity to own equity interests in the Company. Mr Jiang Xiaohuang, the controlling shareholder of the Company, decided to indirectly transfer an aggregate of 80,000,000 shares of the Company as a gift within three years, at nil consideration, as the pool of shares of the Share Award Scheme. A trust has been set up for the administration and vesting of restricted shares ("**RSUs**") granted pursuant to the Share Award Scheme.

17 CAPITAL, RESERVES AND DIVIDENDS (continued)

(c) Equity settled share-based transactions (continued)

As of 30 June 2026, the aggregate of 104,856,600 RSUs were granted for nil consideration to eligible employees of the Group under the Share Award Scheme. These RSUs vest for a period from one month to 49 months. In addition to the service condition, there are other vesting conditions related to the employee's performance and the Group's performance for each of the vesting period.

During the six months ended 30 June 2026, the aggregate of 19,786,000 RSUs (for the six months ended 30 June 2025: Nil) was granted for nil consideration to certain eligible employees of the Group under the Share Award Scheme. Among which, 10,254,500 RSUs were granted with fair value of HKD0.45 per share determined by the latest closing market price of the shares up to the date of grant and vest over a period ranging from the date of grant to 22 months with only service condition. The remaining 9,531,500 RSUs were granted with fair value of HKD0.36 per share determined by the latest closing market price of the shares up to the date of grant and vested on the date of grant. During the six months ended 30 June 2026, a total number of 21,131,000 shares (for the six months ended 30 June 2025: 4,978,800 shares) had been vested. As at 30 June 2026, a total of 6,815,000 shares was outstanding for vesting.

18 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Financial assets and liabilities measured at fair value

(i) Fair value hierarchy

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

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs

The Group has a team headed by the finance manager performing valuations for the financial instruments, including investment in wealth management product which is categorised into Level 3 of the fair value hierarchy. The team reports directly to the chief financial officer. A valuation report with analysis of changes in fair value measurement is prepared by the team at each interim and annual reporting date, and is reviewed and approved by the chief financial officer. Discussion of the valuation process and results with the chief financial officer and the directors is held once a year, to coincide with the reporting dates.

18 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

(a) Financial assets and liabilities measured at fair value (continued)

(i) Fair value hierarchy (continued)

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Level 1 Assets		
Listed equity securities	**76,013**	75,742
Investment in LLPs	**42,001**	1,182
Level 2 Assets		
Unlisted equity securities	**4,000**	5,000
Investment in LLPs	**252,084**	100,665
Level 3 Assets		
Investment in wealth management products	**205,527**	280,768
	579,625	463,357

During the six months ended 30 June 2026 and the year ended 31 December 2025, there were transfers between Level 1 and Level 2, and no transfers into or out of Level 3. The transfers between Level 1 and Level 2 were due to that certain investment in LLPs were listed and their lock-up periods expired as of 30 June 2026 and 31 December 2025. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

(ii) Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of Level 2 assets is generally obtained through the use of valuation methodologies with observable market inputs or by reference to the latest round of financing, i.e. the prior transaction price or the third-party pricing information. As the investees are in normal operation without any significant business milestone events during the period, the fair value of the unlisted equity investments and LLP is determined with reference to the latest round of financing price, adjusted by unobservable inputs based on information such as its latest available financial information, where applicable as at 30 June 2026.

(iii) Information about Level 3 fair value measurements

The fair value of the investment in wealth management products issued by banks as at 30 June 2026 is determined using the forecast future cashflow discounted by risk-adjusted discount rate. The valuation requires the directors to make estimates about the expected future cash flows. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in profit and loss, are reasonable, and that they were the most appropriate values as at the reporting period end. As at 30 June 2026, the expected investment income ranged from RMB1,149,000 to RMB1,436,000, and the risk adjusted discount rate ranged from 1.20% to 4.00%. The fair value measurement is positively correlated to the expected investment income and negatively correlated to the risk adjusted discount rate.

18 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

(a) Financial assets and liabilities measured at fair value (continued)

(iii) Information about Level 3 fair value measurements (continued)

The movements during the period in the balance of these Level 3 fair value measurements are as follows:

	2026 RMB'000	2025 RMB'000
Investment in wealth management products		
At 1 January	**280,768**	169,757
Payment for purchases	**579,839**	686,871
Realised gain from investment recognised in "other net income" in the consolidated statement of profit or loss	**501**	444
Proceeds upon maturity	**(657,500)**	(631,385)
Changes in fair value of financial assets measured at FVPL	**1,920**	1,764
Currency translation differences	**(1)**	(21)
At 30 June	**205,527**	227,430

Any gains or losses arising from the remeasurement of the Group's unlisted equity investments held for strategic purpose are recognised in the fair value reserve (non-recycling) in other comprehensive income. Upon disposal of equity securities, the amount accumulated in other comprehensive income is transferred directly to retained earnings.

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

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

19 MATERIAL RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the Group entered into the following material related party transactions.

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors and certain of the highest paid employees, is as follows:

	Six months ended 30 June	
	2026 RMB'000	2025 RMB'000
Short-term employee benefits	**2,225**	2,218
Equity settled share-based payments	**247**	475
Post-employee benefits	**93**	92
	2,565	2,785

Total remuneration is included in "staff costs" (see Note 6(a)).

20 SUBSEQUENT EVENTS

No significant subsequent events have occurred subsequent to 30 June 2026.

21 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS, AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE SIX MONTHS ENDED 30 JUNE 2026

A number of amendments and new standards are not yet mandatory for annual periods beginning 1 January 2026. Earlier application is permitted; however, the Group has not early adopted any new or amended standards in preparing this interim financial report.

The following updates the information provided in the last annual financial statements about the possible impacts of HKFRS 18 which may have a significant impact on the Group's consolidated financial statements when adopted.

21 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS, AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE SIX MONTHS ENDED 30 JUNE 2026 (continued)

HKFRS 18, *Presentation and disclosure in financial statements*

HKFRS 18 will replace HKAS 1, *Presentation of financial statements*, and is first effective for annual reporting periods beginning on or after 1 January 2027.

HKFRS 18 introduces new requirements for presentation and disclosure in financial statements, including new categories and defined subtotals in the statement of profit or loss, enhanced requirements for aggregation and disaggregation of information, and specific disclosures about management-defined performance measures. The Group is assessing the expected impact that the initial application of HKFRS 18 will have on its consolidated financial statements.

The Group expects that the adoption of HKFRS 18 will not change the Group's net assets or net profit. However, it is expected to affect the presentation of the Group's consolidated statement of profit or loss and related note disclosures. Based on the work performed to date, the Group's assessment on the expected impact of the initial application of HKFRS 18 is summarised below. The assessment remains subject to change as the Group continues its implementation work.

(a) Structure of the statement of profit or loss

HKFRS 18 requires entities to classify income and expenses into specified categories in the statement of profit or loss, including operating, investing, and financing categories. It also requires entities to present two newly defined subtotals, which are "operating profit" and "profit or loss before financing and income taxes". The operating profit subtotal is expected to differ from the current profit from operations subtotal presented by the Group. Based on the work performed to date, the Group also expects the following changes to the consolidated statement of profit or loss:

- Dividend, interest income, and net gains on trading securities, which are currently presented in the Group's other net income subtotal are expected to be classified in the investing category. The income and expenses classified in the investing category, together with the subtotal "operating profit", will form the new subtotal "profit or loss before financing and income taxes";

- The Group is assessing the classification of income and expenses as currently included in the finance cost line item and expects that this line item will be disaggregated into "income and expenses on liabilities arising solely from raising of finance" and "interest expenses on other liabilities" in the financing category;

- The Group is required to assess the classification of foreign exchange differences in the same category as the income and expenses from the items that gave rise to the differences, unless doing so would involve undue cost or effort; and

- The Group currently presents operating expenses by function. The Group is assessing whether its current presentation, or a mixed presentation by nature and function, will provide the most useful structured summary of its operating expenses under HKFRS 18. If the Group continues to present one or more operating expense line item by function, information about five specific expenses by nature will be provided in a single note to the financial statements.

21 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS, AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE SIX MONTHS ENDED 30 JUNE 2026 (continued)

HKFRS 18, *Presentation and disclosure in financial statements* (continued)

(b) Management-defined performance measures ("MPM")

MPMs are subtotals of income and expenses used in public communications outside the financial statements that communicate management's view of an aspect of the financial performance of the entity as a whole to users. Based on the Group's current assessment, "adjusted profit", which excludes equity settled share-based payments, is identified as a MPM since it is currently being reported by the Group in its management commentary, press releases, and investor presentations. The Group is also developing a process to identify its public communications and assess whether other measures reported in those communications meet the definition of an MPM.

The Group will be required to disclose specific information about MPMs in a single note in the financial statements. The MPMs disclosed by the Group following adoption of HKFRS 18 will be determined based on public communications issued by the Group relating to the same reporting period.

(c) Principles of aggregation and disaggregation

HKFRS 18 provides enhanced principles on how to group information in the financial statements, including the primary financial statements and the notes. It also introduces guidance on labelling and describing items presented in the primary financial statements or disclosed in the notes.

The Group has been consistently applied the principles of aggregating and disaggregating the items on the basis of similar and dissimilar characteristics. The Group is also assessing line items currently labelled as "other" across the primary financial statements and the notes and expects to use more informative labels where material information would otherwise be obscured.

HKFRS 18 also introduces consequential amendments to HKAS 7, *Statement of cash flows*. The Group is assessing the impact of those amendments, including the requirement to use the newly defined operating profit subtotal as the starting point for the cash flow statement when presenting operating cash flows under the indirect method and the classification of interest and dividend cash flows.

The actual impact of applying HKFRS 18 may change as the Group continues to assess the new requirements and finalises any changes to its reporting processes, controls and accounting policies before the date of initial application.