



ANNUAL REPORT 2025



Tanwan Inc. 贪玩

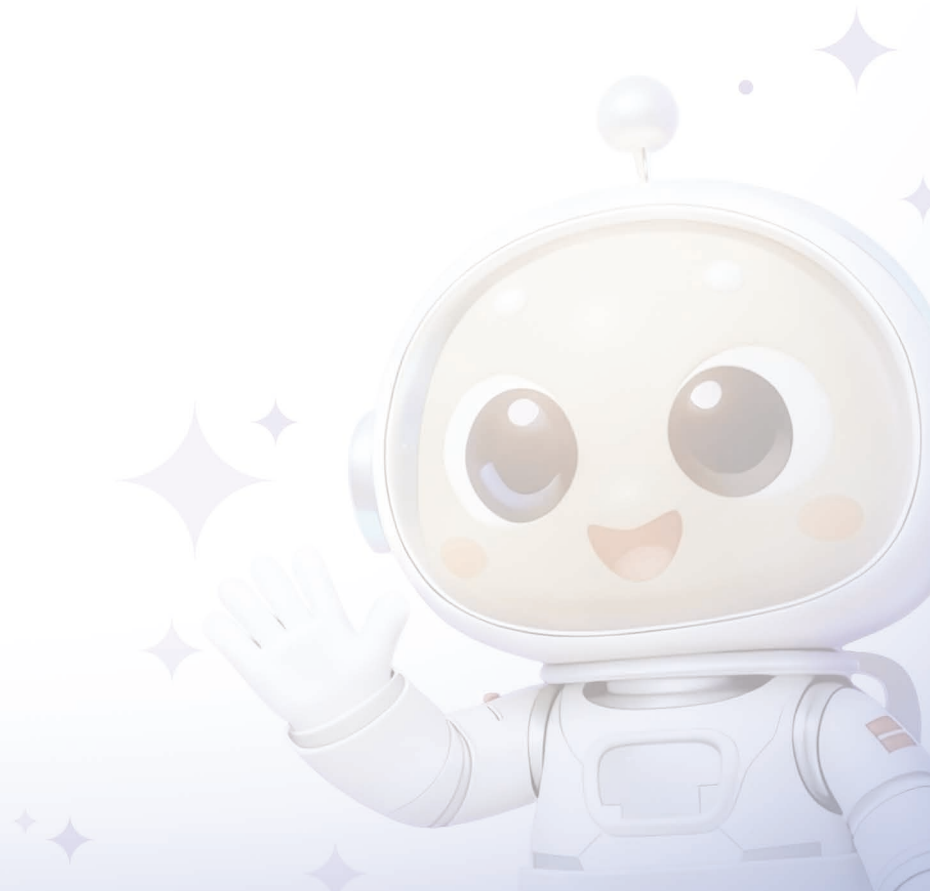
Stock Code: 9890

(Incorporated in the Cayman Islands
with limited liability)



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. WU Xubo (*Chairman, Chief Executive Officer*)

Ms. WU Xuan (*Chief Operating Officer*)

Independent Non-executive Directors

Ms. SONG Siyun

Mr. QIN Yongde

Ms. ZHENG Yi

AUDIT COMMITTEE

Ms. ZHENG Yi (*Chairlady*)

Ms. SONG Siyun

Mr. QIN Yongde

REMUNERATION COMMITTEE

Ms. SONG Siyun (*Chairlady*)

Mr. WU Xubo

Ms. ZHENG Yi

NOMINATION COMMITTEE

Mr. WU Xubo (*Chairman*)

Ms. SONG Siyun

Ms. ZHENG Yi

CHIEF EXECUTIVE OFFICER

Mr. WU Xubo (since July 1, 2025)*

Ms. LIANG Wenhong (until July 1, 2025)*

COMPANY SECRETARY

Ms. TSANG Wing Man

AUTHORIZED REPRESENTATIVES

Mr. WU Xubo

Ms. TSANG Wing Man

AUDITOR

Ernst & Young

Certified Public Accountant and Registered Public Interest Entity Auditor

27/F, One Taikoo Place

979 King's Road

Quarry Bay, Hong Kong

HONG KONG LEGAL ADVISER

Kirkland & Ellis

26/F, Gloucester Tower

The Landmark

15 Queen's Road Central

Hong Kong

REGISTERED OFFICE

190 Elgin Avenue

George Town

Grand Cayman KY1-9008

Cayman Islands

PRINCIPAL PLACE OF BUSINESS AND HEADQUARTERS IN THE PRC

Floors 41, 62–66,

Canton Financial Center

656 Huangpu Avenue

Tianhe District, Guangzhou

Guangdong

PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40/F, Dah Sing Financial Centre

248 Queen's Road East

Wanchai

Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Walkers Corporate Limited

190 Elgin Avenue

George Town

Grand Cayman KY1-9008

Cayman Islands

HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

INVESTOR RELATIONS

Email: IR@tanwan.com

COMPANY'S WEBSITE

<https://www.tanwan.cn/>

STOCK CODE

9890

*Note**: Ms. LIANG Wenhong resigned as the chief executive officer of the Group to focus on other business of the Group and Mr. WU Xubo was appointed as her successor, taking effect from July 1, 2025. Please refer to the Company's announcement dated June 30, 2025 for further details.

Five-Year Financial Summary

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	For the Year Ended December 31,				
	2025	2024	2023	2022	2021
	<i>(RMB in thousands)</i>				
Revenue	4,158,199	5,580,112	6,514,585	8,817,221	5,735,718
Gross profit	2,373,856	4,024,343	4,573,318	6,409,690	4,738,359
Profit before tax	1,968,937	98,415	413,391	601,575	680,131
Profit for the year	1,560,235	44,019	273,289	491,522	616,441
Earnings per share attributable to ordinary equity holders of the parent					
Basic (RMB)	2.83	(—*)	0.47	9.65	N/A
Diluted (RMB)	2.79	(—*)	0.46	9.60	N/A

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As of December 31,				
	2025	2024	2023	2022	2021
	<i>(RMB in thousands)</i>				
Total non-current assets	2,180,078	1,599,422	3,204,232	4,181,409	2,766,389
Total current assets	5,202,305	3,964,252	4,063,978	5,617,497	3,792,038
Total non-current liabilities	322,194	39,466	156,228	199,904	194,218
Total current liabilities	2,774,964	3,101,143	4,836,197	7,889,966	5,189,978
Total Equity	4,285,225	2,423,065	2,275,785	1,709,036	1,174,231

* Less than 0.01



Letter to Shareholders

Dear Shareholders,

On behalf of the Board (the **“Board”**) of Directors (the **“Directors”**) of Tanwan Inc. (the **“Company”**), I am pleased to present to all Shareholders the performance report of the Company and its subsidiaries (the **“Group”**) for the year ended December 31, 2025.

A DECADE OF CULTIVATION, UNWAVERING COMMITMENT

2025 marks the tenth anniversary of the establishment of our “Tanwan Game” (貪玩遊戲) brand. Over the past decade of challenges, we have evolved from a game company with dreams into a comprehensive technology innovation enterprise driven by the dual engines of “AI + Games” and with a global footprint. This achievement would not have been possible without the steadfast support of our shareholders, the trust of our business partners, and the hard work of all our employees.

This year, rather than resting on our past laurels, we ventured beyond our comfort zone with greater resolve to deepen our strategic transformation. From the continuous rejuvenation of classic IPs to the explosive growth of mini-program games, from core breakthroughs in overseas markets to the comprehensive application of AI technology in games, our entire industrial chain has worked in synergy to solidly implement various strategic initiatives, earning full recognition and firm support from the capital market. Every step of our exploration is anchored in long-term development, and every breakthrough accumulates the strength for growth.

We have proven through action that the next decade of Tanwan Inc. is well worth looking forward to.

CLASSIC CONTINUATION, ENDLESS INNOVATION

Classic IPs are the foundation and core engine of our business. We continue to deepen our core IP matrix of “Legend” (傳奇), “Yulgang” (熱血江湖) and “MU” (奇蹟MU), conducting in-depth iterations and innovative interpretations of classic IPs. While preserving the iconic gameplay and nostalgic appeal, we continuously revitalize the vitality of these IPs. The value released through IP innovation and iteration is evident in the outstanding performance of “Yulgang: Return” (《熱血江湖:歸來》) in key overseas markets including South Korea, Thailand and Vietnam, which validates the effectiveness of our “global distribution + local cultural adaptation” strategy. We have also introduced premium IPs such as “Soul Land” (斗羅大陸), as well as “Jin Yong Martial Arts” (金庸武俠) IP series encompassing “The Smiling Proud Wanderer” (笑傲江湖), “Condor Trilogy” (射鵰三部曲) and “The Demi-Gods and Semi-Devils” (天龍八部) to enrich our diversified portfolio, including open-world and Chinese style martial arts. A number of game titles are poised for imminent release, laying a solid foundation for strong growth in 2026 and beyond. The vitality of classics lies in iteration, and we will continue to activate IP value through innovation, making our core assets a source of confidence for long-term development.

We have accurately grasped industry trends and made significant strides in the mini-program game sector, achieving explosive growth. Leveraging the social fission advantages of platforms like WeChat and Douyin, we have launched a series of high-performing products such as “City of Dragontrail” (《龍蹟之城》) and “Legend of Origin” (《原始傳奇》). Among them, “City of Dragontrail” topped the WeChat Mini Games Bestseller List and remained in the TOP 10 for over a month, efficiently achieving cross-platform migration and low-cost user acquisition. Today, our mini-program product matrix has become a critical component of the Group’s diversified layout, injecting new vitality into business growth.

DUAL BRANDS, GLOBAL EXPANSION

2025 witnessed a new phase in our overseas business. The Group's dual domestic and overseas brands worked in synergy with "Tanwan Game" (貪玩遊戲) rooted in the domestic market and "Game Lovin" expanding globally, driving continuous and rapid growth in both domestic and overseas revenues, and truly fulfilling our strategic vision of "Global Cross-Expansion, Cultural Outreach".

Building on our solid foundation in overseas markets, during the Reporting Period, our revenue from overseas business reached RMB833.1 million, representing a year-on-year increase of 33.6%, accounting for 20.0% of total revenue for the same year. This year, we successfully completed the official integration and upgrade of our overseas game business distribution brand. Taking this opportunity, our overseas distribution capabilities have reached new heights, with multiple products achieving impressive rankings on leading charts, demonstrating the global appeal of our premium games. Meanwhile, we continue to deepen our dual-engine strategy of "global distribution + local cultural adaptation", complemented by overseas KOL cultivation and in-depth local community operations, to build a robust global distribution ecosystem.

AI EMPOWERMENT, A NEW ERA OF INTELLIGENCE

2025 marks a year of transformation as the Group fully embraced artificial intelligence. Facing the challenge of rising user acquisition costs, we gradually upgraded our core "Five-Step Distribution Strategy" with AI capabilities, achieving in-depth empowerment across the full life cycle of game publishing, operation and R&D. In terms of creative content, the Company has fully integrated cutting-edge large models such as Seedance 2.0. Leveraging the deep expertise of our internal core R&D team, we have built a diversified AI agent system and AIGC middleware platform for our content creation and design teams, significantly enhancing creative efficiency. In terms of placement and data analysis, our self-developed "Hetu" (河圖) intelligence analytics system, "Luoshu" (洛書) intelligent placement system, and AI model platform "X intelligent platform" (X智慧平台) work in synergy to accurately target user groups, significantly reduce the production cycle of marketing materials and lower trial-and-error costs in placement, enabling unified control of multi-channel advertising and real-time intelligent regulation of traffic.

Technology is not just a tool, but the core engine driving corporate transformation. We firmly believe that AI will fundamentally reshape the way games are produced and the nature of user experiences, and Tanwan stands at the forefront of this revolution.

INTEGRATION OF GAMING + NEW CONSUMPTION

In the field of diversified business expansion, we are centering our strategy on the user ecosystem and are advancing into the "Games + New Consumption" track, focusing on two core business segments: pop toys and fast-food. Leveraging the precise digital marketing, in-depth user operation, and professional brand incubation capabilities accumulated by "Tanwan" brand in the Internet field, we have realized the diversified monetization and value extension of digital IPs, exploring new paths for industrial integration and development.

In 2025, the Group's pop toy brand TANWAN secured the exclusive IP licensing for the "GARFIELD Family (加菲貓家族)" and, through collaborations with external partners, entered into contracts with over 200 emerging avant-garde artists, creating a pop toy ecosystem supported by three pillars: the "Classic IP + Artist IP", "Emotional Interactive Design" and "Scenario-based Social Experience". Meanwhile, our fast-food brand "ZAZA GRAY" (渣渣灰) leveraged game IPs to achieve brand upgrading with a positioning of "regional flavors + youth", while simultaneously fulfilling our social responsibility of supporting agriculture through the industry.



Letter to Shareholders

CAPITAL MARKET RECOGNITION, DEEP CULTIVATION OF VALUE

In 2025, the Group achieved remarkable results in the capital market. During the year, we completed share repurchases totaling over HK\$120 million at an average repurchase price of HK\$14 per share, continuing to advance the Group's share repurchase scheme.

On December 18, 2025, the Company announced the issuance of zero-coupon Convertible Bonds totaling HK\$468 million. The raised funds will be exclusively allocated to strategic deployment and investments in AI-related industries.

Following its inclusion in the Hang Seng Composite Index constituents in March 2024, the Company has been included again in the MSCI China Small Cap Index constituents in February 2026, demonstrating its continuously enhanced standing and recognition in the capital markets.

We understand that the trust from the capital market is hard-earned. Looking ahead, we will continue to focus on enhancing long-term value, continuously optimize our investor communication mechanism, and improve the transparency and clarity of information disclosure, so that global investors can gain a clearer understanding of the strategic direction and growth potential of the Group.

LOOKING AHEAD, STEADY AND FAR-REACHING

In 2026, we will witness the launch of more blockbuster products, the adoption of more cutting-edge technologies, and more breakthroughs in international markets. We will also continue to optimize our talent structure, invigorate organizational vitality, and allow more bold, creative, and ambitious young talents to take center stage.

A decade is just the beginning.

On behalf of the Board, I would like to take this opportunity to express my sincere gratitude to all the Directors and employees for their efforts and contributions. At the same time, I would like to sincerely thank all Shareholders, customers and business partners for their full trust and firm support.

Tanwan Inc.

WU Xubo

Chairman



AI

BUSINESS REVIEW AND OUTLOOK

1. Industry Review

According to the year-end review article *Year in review: 2025 to date* (also known as *State of Gaming in 2025*, a year-end update to the *Global Games Market Report and Forecasts*) released by Newzoo on December 18, 2025, the global games market is projected to reach US\$197 billion in 2025, representing a year-on-year (“YoY”) growth of 7.5%. Among this, the global mobile games market will amount to US\$108 billion in 2025, with a YoY growth of 7.7%.

According to the 2025 China Gaming Industry Report (《2025年中國遊戲產業報告》) jointly released by the Game Publishing Committee of China Audio-video and Digital Publishing Association (中國音數協遊戲工委) and the Expert Committee on Game Industry Research (遊戲產業研究專家委員會), in 2025, the actual sales revenue of Chinese domestic gaming market was RMB350.79 billion, representing a YoY increase of 7.68%. In 2025, the number of game users in China reached 683 million, representing a YoY increase of 1.35%.

On April 18, 2025, the National Press and Publication Administration (國家新聞出版署) and other authorities issued the Notice on the Science and Technology Innovation Leadership Plan for Online Publishing (《網絡出版科技創新引領計劃》) (Guo Xin Chu Fa [2025] No. 6) (the “**Plan**”). The Plan states that online publishing is an emerging publishing business format characterized by the deep integration of culture and technology. The Plan supports online publishing enterprises to establish R&D institutions such as corporate laboratories and technology centers focused on technologies related to online publishing, including artificial intelligence, big data, cloud computing and blockchain; promote the research and application of blockchain technology in areas such as copyright registration, rights protection, transactions and settlement; and provide support for the joint R&D and adaptation of games and graphics processing units (GPUs) and other basic products.

On April 21, 2025, the State Council Information Office (國務院新聞辦公室) held a press conference to introduce the Comprehensive Pilot Work Project for Accelerating the Opening-up of the Service Industry (《加快推進服務業擴大開放綜合試點工作方案》) (the “**Project**”). The Project sets out to support the open development of the digital industry, supporting the expansion of overseas gaming operations, broadening application scenarios, and establishing an entire industrial chain layout spanning IP creation, game production, distribution, and overseas operations.

In November 2025, the General Office of the State Council (國務院辦公廳) issued the Implementation Opinions on Accelerating Scenario Cultivation and Opening to Promote the Large-Scale Application of New Scenarios (《關於加快場景培育和開放推動新場景大規模應用的實施意見》), proposing the formation of a pathway from “technological breakthroughs — scenario validation — industrial application — system upgrades” to expedite the cultivation and expansion of economic and social application scenarios. This includes delving into the potential of data elements, supporting technological innovation in areas such as data analysis and mining, circulation and utilization, and security protection, enriching the supply of data products and services, and exploring innovative application scenarios of technologies such as metaverse, virtual reality, intelligent computing power and robots in office, social interaction, consumption, entertainment and other fields, so as to promote the deep integration of the real economy and the digital economy.



Management Discussion and Analysis

On March 13, 2026, the Outline of the 15th Five-Year Plan for National Economic and Social Development of the People's Republic of China 《中華人民共和國國民經濟和社會發展第十五個五年規劃綱要》 (the “**Outline**”) was officially issued. The Outline proposes to transform and upgrade traditional cultural industries, promote the integration of culture and technology, and advance the digital and intelligent empowerment and informatization transformation of cultural development. It calls for the development of new cultural formats such as digital animation, immersive performances, online broadcasting, short videos, and micro-dramas, while guiding the healthy development of online literature, online games, and online audio-visual content. At the same time, the Outline encourages cultural enterprises to pursue international operations, promotes the global expansion of high-quality online literature, online games, film and television animation, and premium exhibitions, and strengthens the construction of key bases for international communication and national cultural export bases.

2. Main Strategies and Business Overview of the Company

With “Get back your playful youth time” as its founding aspiration and “Create joy to end-users and empower our business partners in the digital era” as its corporate mission, the Group is dedicated to becoming an AI-driven enterprise that brings delight to users and delivers premium services to game developers in the new era of “AI + Game”.

During the Reporting Period, pursuant to a special resolution passed by the Company’s shareholders at the extraordinary general meeting held on August 8, 2025, the English name of the Company has been changed from “ZX Inc.” to “Tanwan Inc.”, and the Chinese name “貪玩” has been adopted and registered as the dual foreign name of the Company, replacing its original Chinese name “中旭未来”. Following the name change, the Group’s “Tanwan” brand will collaborate with the overseas game publishing sub brand “Game Lovin” to jointly establish a dual-drive strategic framework, working together to unleash stronger brand momentum.

During the Reporting Period, the Group achieved a revenue of RMB4,158.2 million (2024: RMB5,580.1 million). The net profit of the Group for the year was RMB1,560.2 million (2024: RMB44.0 million).

The overseas business revenue was RMB833.1 million, representing a YOY increase of 33.6% compared to RMB623.4 million in 2024, accounting for 20.0% of total revenue, representing an increase by 8.9 percentage points from 11.1% in 2024.

2.1 Game Segment

Centering its core business of “global distribution and operation of IP products”, the Group anchored its game product system in “refinement, diversification, globalization, and long-term operation”. In the new era of “AI + Games”, with the deep empowerment of AI technology in game distribution business, the Group maximizes game product value through precision marketing and long-term operation.

In terms of distribution strategy, the Group continues to explore and innovate, and steadily advance its core strategy of “web games, mobile games, mini-programs, overseas markets, and globalization” (the “**Five-Step Distribution Strategy**”), on the basis of the historical success in web and mobile games distribution, it will further break through the huge potential of game distribution markets such as mini-programs, overseas markets, and global publishing operations to consistently enhance market coverage and business growth momentum. Today, the Group has established a multi-dimensional game distribution network with interconnected platforms, multi-regional coverage and comprehensive user reach.

In terms of product deployment, the Group distributes through a multi-terminal layout mainly consisting of “App + mini-programs”, thereby reaching a wider user base and expanding the audience for its games. In terms of market coverage, the Group takes the domestic market as its foundation while proactively expanding overseas markets, continuously enhancing the global recognition and influence of game IPs.

Management Discussion and Analysis

2.1.1 Classic IPs: Long-term Value, Innovation and Iteration Drive Business Growth

The Group leverages its classic IP portfolio through sustained iteration and content innovation, refining premium games to fuel business growth. During the Reporting Period, the Group operated and promoted top-tier classic IPs including “Legend” (傳奇), “Yulgang” (熱血江湖) and “MU” (奇蹟MU).

“Legend”

“Legend” is one of the most influential super IPs in the history of China’s online game development and also one of the client-game IPs with the highest revenue output in the country. According to estimates from the “Legend” IP Ecosystem Development Research Report released by Gamma Data (Beijing Gamma New Media Culture Communication Co., Ltd.), the market size of the “Legend” IP reached RMB35.55 billion in 2025 and has remained around RMB30 billion for consecutive years. As of 2025, the “Legend” IP has generated an aggregate value of RMB370 billion, with a continued growth potential of over RMB100 billion in the future.

Through technological innovation, the Group successfully achieved the transition of “Legend” IP games from PC to mobile internet. The related game products span multiple platforms, including mini-programs, mobile game Apps and web games, with distribution targeting global markets. In the field of mini program distribution for “Legend” games, the Group has achieved remarkable results, with the main products including “Legend of Origin” (《原始傳奇》), “City of Dragontrail” (《龍蹟之城》), “Swallowing Blade” (《吞食之刃》), “Blooded Attack” (《熱血合擊》) and “Tiger Guardian God of War” (《虎衛戰神》). In 2025, the mini-program version of “City of Dragontrail” topped the WeChat Mini Games Bestseller List and remained in the top ten for an entire month.

“Yulgang”

“Yulgang Online” (《熱血江湖Online》) was launched in 2005 by a South Korea company Mgame Co., Ltd. With its lighthearted and humorous martial arts style, distinctive character settings, and rich gameplay, the game attracted a large number of players, becoming a phenomenal martial arts IP game during the golden age of Chinese online games. The Group has innovatively interpreted the “Yulgang” IP, making the spirit of chivalry continue to radiate vitality in the mobile era. The Group has also released multiple “Yulgang” IP mobile products, including “All People’s Jianghu” (《全民江湖》) and “Yulgang: Return” (《熱血江湖：歸來》). Among them, “Yulgang: Return” has swept various lists: in South Korea, it successfully topped the App Store Free List at No.1; in Thailand, it even swept the Free Lists across Google Play, App Store, and LDPlayer, achieving No.1 on all fronts; in the Taiwan region of China, it instantly grabbed the No. 1 spot on the App Store Free List and No. 2 on the Top-Grossing List, demonstrating strong popularity and global appeal.

“MU”

“MU” (《奇蹟MU》) was a MMORPG online game product developed by a South Korea company Webzen Inc. (網禪公司) in 2002. In recent years, the “MU” IP has been continuously innovating, expanding from client-based games to web games, mobile games, and other formats. Multiple derivative products under this IP have achieved remarkable success in the market, generating impressive revenue. The Group has launched game products such as “MU: Dragon Harvoc” (《神兵奇蹟》) and “New Moon Continent” (《新月大陸》) domestically, and “MU: Dragon Havoc” (《奇蹟MU：無限金蛋》) and “MU: Classic Battle” (《奇蹟MU：經典之戰》) overseas, with distribution covering the Hong Kong SAR, the Macao SAR and the Taiwan region, Southeast Asia, Europe and America.

Management Discussion and Analysis

2.1.2 Premium IPs: Unleash Value Potential, Create Multi-dimensional Premium Products

To enrich the pipeline of game products and achieve diversified development, the Group actively introduces and deeply operates premium IPs. Through creative reconstruction and digital empowerment, the Group maximizes the potential of IPs and builds a diversified game matrix across themes (such as open-world and Chinese-style martial arts), categories (such as simulation management and casual competition) and user groups. In terms of IP cooperation, the Group establishes deep collaborations with IP licensors and game developers through investment, ecosystem co-construction, and technology sharing, jointly exploring multidimensional development paths for IPs to consistently create premium games.

During the Reporting Period, premium IPs operated, promoted and reserved by the Group include “Soul Land” (斗羅大陸), as well as “Jin Yong Martial Arts” (金庸武俠) IP series encompassing “The Demi-Gods and Semi-Devils” (天龍八部) “Condor Trilogy” (射鵰三部曲) and “The Smiling Proud Wanderer” (笑傲江湖). As of the annual report date, the licensed game “The Demi-Gods and Semi-Devils 2: Flying Dragon Battles against the Heavens” (《天龍八部2: 飛龍戰天》), which was adapted from Jin Yong Martial Arts masterpiece “The Demi-Gods and Semi-Devils” has launched both its App and mini-program versions. Meanwhile, the open-world large-scale 3D game “Soul Land: Legend of Evil Slayer” (《斗羅大陸: 誅邪傳說》), developed based on the “Soul Land” IP, is currently in preparation.

2.1.3 Mini-Program Games: Opening A New Growth Curve

According to the 2025 China Gaming Industry Report, mini-program games continued to grow rapidly, while multi-platform distribution was maintained. Both hardcore and lightweight games exhibited a trend of parallel development. In 2025, the revenue of China’s mini-program game market has reached RMB53.535 billion, representing a significant YoY increase of 34.39%. The mini-program game sector has also become a key component of the Group’s diversified game product matrix. The Group has adapted and innovated classic IPs such as “Legend”, “Yulgang” and “MU”, launching mini-program versions of “Legend of Origin”, “City of Dragontrail”, “MU: Dragon Harvoc”, “All People’s Jianghu”, successfully achieving cross-platform user traffic diversion and opening new growth curves. Meanwhile, the Group actively lays out emerging categories of mini-program games such as casual competitive games, martial arts RPGs, and tower defense games. It has released multiple mini-program games including “City of Dragontrail”, “Tiny Troopers” (《小兵大作戰》) and “The Demi-Gods and Semi-Devils 2: Flying Dragon Battles against the Heavens”, rapidly acquiring users through the social viral characteristics of mini-program platforms dominated by WeChat and Douyin. In 2025, the mini-program version of “City of Dragontrail” topped the WeChat Mini Games Bestseller List and remained in the top ten for an entire month.

In terms of operational strategy, the Group maintains user activity through the “short-cycle iterations + social incentives” model to promote the iteration of game functions suitable for the characteristics of mini-programs and leverages the inherent social dissemination advantages of mini-programs to achieve low-cost user acquisition.

Management Discussion and Analysis

2.1.4 Diversified Innovation Tracks: Expanding the User Base Continuously

While cultivating classic IPs and actively introducing premium IPs, the Group also proactively explores innovative breakthroughs in diverse and creative game tracks. Since 2024, the Group has successively launched new games in fields such as casual game, simulation games (SLG), MAG (Manga, Anime and Games) game and tower defense game. Through differentiated content innovation, the Group continues to break through user layers and build a diversified game ecosystem with enduring vitality.

2.1.5 “Global Cross-Expansion”: Realize the Double Leap of Cultural Overseas and Commercial Expansion

The Group integrates the dual engines of “global distribution + local cultural adaptation”, comprehensively linking overseas KOL cultivation and in-depth community collaboration. As of December 31, 2025, the Group has successfully distributed and operated over 30 multilingual games in 11 different language versions across multiple international markets, including Southeast Asia, the Hong Kong SAR, the Macao SAR and the Taiwan region, Japan, South Korea, Europe and America. Several game products have achieved outstanding rankings on top list, such as “Legend of Origin” (South Korea), “Blooded Attack” (South Korea), “All People’s Jianghu” (the Hong Kong SAR, the Macao SAR and the Taiwan region, South Korea, Thailand, Vietnam), “Yulgang: Return” (South Korea, Thailand), “MU: Dragon Harvoc” (Europe, America, Brazil, Thailand, Vietnam), which topped Best-Selling List on iOS and Google Play in global markets. Additionally, the Group has more than ten overseas game reserves, including “The Demi-Gods and Semi-Devils 2: Flying Dragon Battles against the Heavens” (《天龍八部2：飛龍戰天》, to be launched in Thailand and Vietnam), “Seal: Back to Shiltz” (希望之啟航, to be launched globally), “Merge Kingdoms” (《小兵大作戰》, to be launched in Southeast Asia, the Hong Kong SAR, the Macao SAR and the Taiwan region and South Korea), “Stickman GO” (《超元氣火柴人》, to be launched in Southeast Asia), “던전 : 이세계용사” (《榮耀全明星》 South Korea) and “Anh Hung BấtDiệt” (《英雄沒有閃》, to be launched in Vietnam) etc.

In 2025, the Group officially integrated its overseas game business distribution brand to “Game Lovin”, marking a new phase in its globalization journey. Game Lovin represents the founding intention of the “Tanwan Game” “Get back your playful youth time” and the unchanging love for games. By integrating core resources and professional capabilities of several overseas teams to build a more competitive international operation framework, the Group will further enhance its “global cross-expansion” market development strategy. Driven by dual wheels of innovation and localized operations, the Group will continuously expand into key markets including Southeast Asia, Japan, South Korea, Europe, America and the Middle East, committed to building a globally influential gaming ecosystem platform.

2.2 “AI+ Games” Empowering the Game Business, Open A New Chapter in The Era of AI

The essence of AI-driven empowerment is to build a data flywheel. With data-driven as the core and AI technology application as the essence, we have built an AI technology foundation for the full life cycle of the game business covering game publishing, game operation, and game research and development.

The Group places high importance on the application and innovation of AI technology in the gaming sector. AI technology has become the core driver of the Group’s gaming application and innovation and a key engine for corporate transformation.



Management Discussion and Analysis

2.2.1 AI Agent Ecosystem Paradigm Shift

The gaming industry is undergoing a paradigm shift from “digital content” to “AI Agent ecosystems”.

During the Reporting Period, the Group upgraded its existing self-developed systems with AI through the integration and application of multiple mainstream large models and AI algorithms. The Group also developed and built multiple comprehensive intelligent agents to achieve the improvement of efficiency and effectiveness.

As of the date of this annual report, the Group has completed the integration of the Seedance 2.0 version, systematically advancing the deep implementation of AI technology across game development, creative design, marketing, and middleware support. This effort has established a comprehensive AI content generation system covering the full chain of “Creativity — Tools — Design — Tracking”.

Intelligence Analytics System — the “Hetu” (河圖) System: The Group’s proprietary business intelligence analytics system, which is capable of efficiently monitoring core data metrics and intelligently analyzing marketing effectiveness. We deeply integrated AI capabilities into the “Hetu” system, building an intelligent data analysis expert intelligent agent.

Intelligent Placement System — the “Luoshu” (洛書) System: It realizes the centralized management of various media platforms, matches customers’ needs with the traffic supply bidding systems of major channels, provides AI-driven omnichannel placement recommendations.

We have built the art intelligent agent and placement intelligent agent on the foundation of the “Luoshu” system. For the first approach, we leverage our extensive historical ad material resources to refine core material tags and optimize the material generation model, delivering end-to-end ad material production capabilities. The AI penetration rate for generating art images, videos, and audio content all exceed 80%, with efficiency improvements surpassing 70%. For the second approach, we utilize AI algorithms to analyze historical data and monitor real-time traffic fluctuations, enabling intelligent monitoring and adjustment of ad tiers. Through an LTV prediction model combined with smart control strategies, we achieve dynamic, cross-channel optimal allocation of advertising budgets, achieving an 80% comprehensive AI ad penetration rate and a 70% increase in ad placement efficiency.

“X intelligent platform” (X智慧平台): An AI model for the game industry independently developed by the Group, which is composed of the Hetu System and the Luoshu System as the underlying technology. It utilizes AI algorithms for big data analysis and provides AI-driven omnichannel placement recommendations.

The Group’s self-developed and established multi-agent system will continuously optimize end-to-end business processes through its AI task planning and intelligent execution engine, achieving a productivity-driven intelligent leap.

Management Discussion and Analysis

2.2.2 The Group's investments and applications in other AI fields

In May 2025, Hong Kong Yuanda Future Limited (香港遠達未來有限公司) (a wholly-owned subsidiary of the Group dedicated to AI applications and investments), entered into an investment agreement with entities including Hangzhou Kaixing Internet Technology Company Limited (杭州愷興網絡科技有限公司) (a wholly-owned subsidiary of Kingnet Network Co., Ltd. (愷英網絡股份有限公司) (SZSE: 002517)), to jointly invest in Hangzhou Jiyi Artificial Intelligence Technology Company Limited (杭州極逸人工智能科技有限公司) and to promote the application of the "SOON" AI large model and AI engine in the gaming field. By utilizing the technical support of the large model of "SOON", the Group has achieved cost reduction and efficiency improvement in the release and operation of game products, and promoted the efficiency of the Group's connection with game developers as well as the efficiency of new game launch testing.

2.3 New Consumption Segment

Through a decade of entrepreneurial journey, the Group has gradually accumulated and developed three core competencies: digital marketing, in-depth operations, and brand development. By organically integrating these capabilities, we have established a distinctive new consumption business model. Our new consumption segment encompasses sales of pop cultural products and fast food empowered by the content we created or marketed.

2.3.1 Pop Toy: Constructing a New Ecology of Life Integration

TANWAN, a pop toy brand under the Group, creates a lifestyle-integrated ecosystem through three pillars: the "Classic IP + Artist IP", "Emotional Interactive Design" and "Scenario-based Social Experience".

TANWAN unveiled its first crystal-themed proprietary IP "Lilia Angel" in 2025.

In September 2025, the Group signed the "GARFIELD Family (加菲貓家族) IP Licensing Agreement", securing a five-year 'exclusive license' to develop and sell non-functional collectible 3D toys, including figurines, blind boxes, sculptures, building blocks, and plush products.

In November 2025, the Group signed a five-year "Artist Work Development Cooperation Agreement", integrating resources from over 200 collectible art creators to develop, sale, and promote art derivatives. Leveraging its deep expertise in digital entertainment, the Group will fully utilize its professional strengths in product development, sale channels, event planning, and creative promotion to unlock diversified value from artists' intellectual properties (IPs). Going forward, the Group will explore further collaboration opportunities with artists, gradually expanding partnerships to its own brands and internationally renowned classic IP brands, driving creative diversification of IP products.

2.3.2 Cross-border brand "ZAZA GRAY" (渣渣灰): Steadily Promoting the Business Model of "Game + Agricultural Assistance + New Consumption"

In 2020, the Group launched the fast food brand "ZAZA GRAY" (渣渣灰), pioneering a tripartite business model integrating "Game + Agricultural Assistance + New Consumption". Jiangxi mixed flour, Xinjiang fried rice noodles and other products under "ZAZA GRAY" brand have achieved leading sales performance in this category of products. The Group's strong brand appeal among game users has served as an important engine for expanding its instant food business. Through online live streaming and offline supermarket sales, we achieved deep integration between the digital economy and the real economy. Most notably, the "ZAZA GRAY" brand has established a direct-sourcing supply chain with rural revitalization production areas, committed to building a sustainable development model that delivers both economic benefits and social value.

Management Discussion and Analysis

3. Shareholder Return and Refinancing

3.1 *Stick to the commitment of shareholder return and continue to buy back to show confidence*

The Company has consistently prioritized shareholders' interests as our core mission, dedicated to enhancing corporate value, optimizing capital structure and sharing growth dividends with investors. On May 13, 2025, the Board of the Company duly resolved to exercise the share repurchase mandate, and planned to repurchase shares with an aggregate maximum amount of HK\$300 million within 12 months based on the market conditions and funding arrangement. The Company steadfastly advanced our share repurchase program, demonstrating the management's unwavering confidence in the Company's value and long-term development through concrete actions. During the Reporting Period, and up to the date of this annual report, the Company had repurchased 11,418,000 shares at an average price of approximately HK\$15 per share, representing 2.1% of the total issued share capital, with a total repurchase amount exceeding HK\$170 million.

3.2 *International Capital Facilitates Strategic Upgrade of Zero-Coupon Convertible Bonds Issuance*

To further build future core competitiveness and accelerate the deep integration of technology and business, as of the date of this annual report, the Company has completed the issuance of zero-coupon Convertible Bonds totaling HK\$468 million. These bonds were fully subscribed by the internationally renowned investment management fund LMR Multi-Strategy Master Fund Limited. This successful issuance has introduced top-tier international strategic investors, significantly optimizing the Company's shareholder structure and capital strength. The raised funds will be exclusively allocated to strategic deployment and investments in AI-related industries, providing long-term capital support for the Company's comprehensive acceleration of the "AI+Games" strategy. Additionally, the proceeds from the convertible bond issuance will supplement the Company's existing funding sources, helping to establish a more balanced and efficient capital structure. This will consolidate the Company's financial position, enhance capital efficiency, and support the development of future core competitiveness.

4. Outlook

The Group consistently adheres to the philosophy of high-quality development, deeply delving into the gaming ecosystem and building a diversified IP matrix. Under the global strategic deployment, we will continue to enhance the global distribution system of Five-Step Distribution Strategy, achieving business growth through refined placement, cultural profound adaptation and long-term operational strategies. We will also integrate AI technology to enhance operational efficiency and user stickiness, comprehensively empowering core aspects including game R&D, content production and player services. This will drive intelligent upgrades, creating richer and more personalized experiences for players.

The Group has a diversified pipeline of game products, including: "Soul Land" open-world games like "Soul Land: Legend of Evil Slayer" (《斗羅大陸：誅邪傳說》), "Yulgang" IP games like "Yulgang: Awakening" (《熱血江湖：覺醒》), "Legend" large-scale MMORPG games like "Legend of King 2" (《王者傳奇2》), "Blue Moon Dragon Slayer" (《藍月屠龍》), and "Jin Yong Martial Arts" themed games like "The Smiling Proud Wanderer: The Legend of Heroes" (《笑傲江湖：群俠傳》) and "The Legend of the Condor Heroes: Mount Hua Sword Duel" (《新射鵰之華山論劍》), as well as "Space Hunter: Awakening" (《時空獵人·覺醒》) and "Dreamscape Warrior" (《夢境勇士》). Relevant game products are poised for imminent release and will be launched sequentially in the future, further enriching the Group's product matrix.

Management Discussion and Analysis

FINANCIAL DISCUSSION AND ANALYSIS

Revenue

Our revenue is generated primarily from (i) marketing and operating online games developed by game developers and other marketing business; and (ii) emerging consumer product business, primarily including sales of our private-label fast foods under the brand “ZAZA GRAY” and Pop Toys.

The following table sets forth a breakdown of our revenue both in absolute amount and as a percentage of our total revenue for the years indicated:

	For the Year Ended December 31			
	2025		2024	
	(RMB'000)	%	(RMB'000)	%
Online Game Publishing Business and Other Marketing Business				
Game products operated under the self-run model	2,766,697	66.5%	4,118,801	73.9%
Game products operated under the joint-run model	1,284,820	30.9%	1,329,845	23.8%
Others	427	0.0%	29,265	0.5%
Subtotal	4,051,944	97.4%	5,477,911	98.2%
Consumer Product Business	106,255	2.6%	102,201	1.8%
Total	4,158,199	100.0%	5,580,112	100.0%

Our Group's revenue for the year ended December 31, 2025 was RMB4,158.2 million, representing a decrease of 25.5% from RMB5,580.1 million in 2024. The decrease in the Group's overall revenue was primarily attributable to lower revenue generated from the game products we marketed and operated under the self-run model. This was primarily due to: (i) the Group's optimization of game publishing and marketing efficiency and strategic shift towards the mini-program game publishing market during the Reporting Period, resulting in reduced overall promotional scale and lower gross billings for certain game titles; and (ii) the decrease in gross billings during the Reporting Period from games launched in 2024, such as “Soul Land: Shrek Academy” 《斗羅大陸:史萊克學院》 and “Beast Lord: The New Land” 《野獸領主:新世界》, as compared to their strong performance in 2024. In addition, revenue generated from the game products we marketed and operated under the joint-run model remained largely stable. During the Reporting Period, the Group focused on its online game publishing business and reduced investments in other marketing businesses, such as online literature products, resulting in a significant decrease in revenue from other marketing businesses. During the Reporting Period, revenue from the Group's consumer product business remained largely stable.



Management Discussion and Analysis

Cost of Sales

In 2025, the Group's cost of sales was RMB1,784.3 million, representing an increase of 14.7% from RMB1,555.8 million in 2024, mainly due to (i) the Group's increased efforts in distributing mini-program games led to higher platform commission costs; and (ii) increased costs associated with new game platform partnerships.

Gross Profit and Gross Profit Margin

In 2025, the Group's total gross profit was RMB2,373.9 million, representing a decrease of 41.0% from RMB4,024.3 million in 2024, primarily due to the decrease in revenue and the increase in cost of sales.

As a result, the Group's gross profit margin for the year ended December 31, 2025 was 57.1% (December 31, 2024: 72.1%).

Other Income and Gains

In 2025, the Group's other income and gains were RMB1,882.3 million, representing a significant increase of 1,055.3% from RMB162.9 million in 2024, primarily due to the increase in fair value gains on financial assets at fair value through profit or loss ("FVTPL") resulting from the increase in the fair value of financial instrument investments held by the Group.

Selling and Distribution Expenses

In 2025, the Group's selling and distribution expenses were RMB1,875.9 million, representing a decrease of 46.7% from RMB3,516.7 million in 2024. This was mainly because (i) AI technology enabled automated generation of promotional materials for game launches and optimized placement model algorithms, resulting in lower marketing expense ratios; (ii) several game product portfolios launched and operated by the Group entered the maturity phase during the Reporting Period, with reduced brand effects lowering customer acquisition costs; and (iii) overall compensation for sales personnel, including share-based incentives, decreased.

Administrative Expenses

In 2025, the Group's administrative expenses were RMB170.4 million, representing a decrease of 11.3% from RMB192.1 million in 2024. This was mainly because the overall compensation related to administrative personnel, including share-based incentives, decreased during the Reporting Period.

R&D Costs

In 2025, the Group's R&D costs were RMB98.3 million, representing a decrease of 23.0% from RMB127.7 million in 2024, mainly due to the decrease in overall compensation related to R&D personnel, including share-based incentives, was recorded during the Reporting Period.

Other Expenses

In 2025, the Group's other expenses were RMB44.4 million, representing a decrease of 58.7% from RMB107.4 million in 2024. The YoY decrease in other expenses was primarily due to: (i) lower impairment losses on fixed assets recognized in 2025 compared to the same period in 2024; (ii) impairment losses on goodwill recognized in the same period in 2024 no longer existed in 2025; and (iii) the change in fair value of shares of other listed companies held by the Group (classified as FVTPL financial assets) turned from a loss in 2024 to a gain in 2025.

Finance Costs

In 2025, the Group's finance costs were RMB14.1 million, representing a decrease of 66.8% from RMB42.5 million in 2024. The decrease was mainly due to (i) a reduction in finance costs on the Group's bills payable, which was in line with the decrease in the Group's bills payable; and (ii) lower finance costs resulting from a decline in interest rates.

Management Discussion and Analysis

Share of Profits and Losses of Joint Ventures

In 2025, the Group recorded share of profits of RMB25.9 million, representing an increase of 137.4% from RMB10.9 million in 2024. This change was mainly due to the increase in profits from our joint venture, Zhejiang Xuwan Technology Co., Ltd (浙江旭玩科技有限公司).

Share of Profits and Losses of Associates

In 2025, the Group recorded share of profits of RMB14.5 million, representing a decrease of 33.8% from RMB21.9 million in 2024. The change was mainly due to the decrease in profits from our associate Shanghai Dehan Technology Co., Ltd. (上海德寒科技有限公司).

Income Tax Expense

In 2025, the Group recorded income tax expense of RMB408.7 million, representing a significant increase of 651.3% from RMB54.4 million in 2024. The increase in income tax expense for the year compared to the previous year was primarily attributable to the Group's substantial profit, driven by factors such as increased fair value gains on FVTPL financial assets and profits from subsidiaries, resulting in a corresponding increase in income tax expenses.

Profit for the Year

For the year ended December 31, 2025, the Group recorded a profit of RMB1,560.2 million (2024: RMB44.0 million). The Group achieved a significant increase in net profit for the Reporting Period, which was mainly attributable to the following factors: (i) a significant increase in fair value gains on financial assets at fair value through profit or loss in relation to shares of other listed company held by the Group; (ii) an increase in revenue from overseas game publishing business with higher operating profit margins; (iii) a decrease in selling and distribution expenses, which was due to (a) the application of AI technology in game distribution operations and optimization of placement model algorithms; (b) the Group was in the process of optimizing and refining reserve game products, which had not been promoted on a large scale; and (c) the decrease in user acquisition costs driven by the brand effect as certain game product portfolios had entered a mature phase. The above factors collectively led to a decrease in selling and distribution expenses, lowering the marketing expense ratios, thereby driving the growth in profits from the game business; however, (iv) they were partially offset by impairment on certain historical game royalty fees.

Trade Receivables

The Group's trade receivables remained relatively stable at RMB237.2 million and RMB221.3 million as of December 31, 2024 and 2025, respectively.

Trade Payables

The Group's trade payables remained relatively stable at RMB475.5 million and RMB451.2 million as of December 31, 2024 and 2025, respectively.

Bills Payable

As of December 31, 2025, the Group's bills payable were RMB1,303.8 million, representing a decrease of 14.8% from RMB1,530.1 million as of December 31, 2024, mainly due to the decrease in supplier settlements made through bank acceptance bills during the Reporting Period.



Management Discussion and Analysis

Liquidity and Capital Resources

As of December 31, 2025, the Group had cash and cash equivalents of RMB376.0 million (December 31, 2024: RMB515.0 million), representing cash and bank balance, net of restricted cash. Cash and cash equivalents were held in RMB, Singapore Dollars, HK dollars, US dollars, Japanese yen and Euro. Going forward, the Group believes that its liquidity requirements will be satisfied by using a combination of cash generated from operating activities, funds raised from the capital markets from time to time and the net proceeds received from the Global Offering.

On January 8, 2026, the Company completed the issuance of HK\$468,000,000 zero coupon Convertible Bonds due 2027 under the general mandate. Save as disclosed above, the Group currently does not have any other plans for material additional external financing.

Bank Borrowings

As of December 31, 2025, the Group had interest-bearing bank and other borrowings of RMB34.4 million (December 31, 2024: RMB199.6 million). The Group's interest-bearing bank and other borrowings were discounted bills and bank loans provided by commercial banks to the Group, both of which were fully secured by pledges during the ordinary course of business. The interest-bearing bank and other borrowings were denominated in RMB and bore interests at rates ranging from 1.0% to 2.0% (2024: 1.0% to 2.8%) per annum.

Gearing Ratio

The Group monitored its capital sufficiency using gearing ratio. As of December 31, 2025, the Group's gearing ratio (debt, including interest-bearing bank borrowings and lease liabilities, as a percentage of total equity as of the end of the relevant reporting period) was 0.02 (December 31, 2024: 0.10).

Current Ratio

As of December 31, 2025, the Group's current ratio (total current assets divided by total current liabilities as of the end of the relevant reporting period) was 1.87 (December 31, 2024: 1.28).

Material Acquisitions and Disposals

For the year ended December 31, 2025, the Group did not have any material acquisition or disposal of subsidiaries, associates and joint ventures.

Future Plans for Material Investments and Capital Assets

As of December 31, 2025, the Group had no specific plan for material investments and acquisition or disposal of capital assets.

Capital Expenditure

For the year ended December 31, 2025, total capital expenditure amounted to approximately RMB219.5 million (December 31, 2024: RMB50.7 million), which was used for the purchase of properties and equipments and other intangible assets.

Contingent Liabilities

As of December 31, 2025, the Group did not have any material contingent liabilities, guarantees of any litigations or claims of material importance, pending or threatened against any member of the Company.

Foreign Exchange Risk and Hedging

The Group's financial statements were expressed in RMB, but the Group undertook certain transactions in foreign currencies, which exposed the Group to foreign currency risk. The Group currently does not hold any financial instruments for hedging purposes. The Group manages its currency risks by closely monitoring the movement of the foreign currency rates and considers hedging significant foreign currency exposure should the need arise.

Management Discussion and Analysis

Employee, Remuneration and Option Scheme

As of December 31, 2025, the Group had 1,239 employees (December 31, 2024: 912), all of whom were based in China (including the Hong Kong SAR, the Macao SAR and the Taiwan region). The number of employees employed by the Group varies from time to time depending on need, and the remuneration of employees is determined in accordance with industry practice. The total remuneration cost incurred by the Group for the year ended December 31, 2025 was RMB301.6 million (same period in 2024: RMB366.5 million), representing a decrease of 17.7% compared to the same period of 2024.

The Group compensates its employees with salaries, allowances and benefits in kind, equity-settled share payment expenses and pension scheme contributions. The Group determines employees' compensation packages on the basis of work performance and the market standard of remuneration. The Group also makes sufficient provisions for its employees regarding the social insurance and housing provident fund contributions as required by the PRC laws and regulations.

The Group operates a mandatory provident fund scheme (the **"MPF scheme"**) under the Hong Kong Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for employees employed under the jurisdiction of the Hong Kong Employment Ordinance (Chapter 57 of the Laws of Hong Kong) and not previously covered by the defined benefit retirement plan. The MPF scheme is a defined contribution retirement plan administered by independent trustees.

The Group has also adopted a pre-IPO share option plan to provide incentives for eligible participants who contribute to the success of the Group's operations, including among others, employees of the Group. Please refer to the section headed "Statutory and General Information — D. Pre-IPO Share Option Plans" in Appendix IV to the Prospectus for further details.

The Group regularly reviews the remuneration policy and overall remuneration of its employees. For the year ended December 31, 2025, the Group did not experience any material labor disputes or strikes that may have a material and adverse effect on its business, financial condition or results of operations, or any material difficulty in recruiting employees.

Charge on Assets

As of December 31, 2025, the Group had pledged (i) time deposits of RMB1,064.5 million (December 31, 2024: RMB2,176.3 million) and (ii) fixed assets and investment properties with a total carrying amount of RMB52.2 million (December 31, 2024: RMB56.6 million), which had been acting as a security for the discounted bills, bills payable and bank loans made available to the Group.

Change of Company Name

Pursuant to a special resolution passed by the Company's Shareholders at the extraordinary general meeting held on August 8, 2025 and the Certificate of Incorporation on Change of Name issued by the Registrar of Companies in Cayman Islands, the English name of the Company has been changed from "ZX Inc." to "Tanwan Inc.", and the Chinese name "貪玩" has been adopted and registered as the dual foreign name of the Company, replacing its original Chinese name "中旭未来" (**"Change of Company Name"**), both with effect from August 8, 2025. The Hong Kong Registrar of Companies has issued the Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company on August 25, 2025, confirming that the Company has changed its name and is now registered in Hong Kong under the name of "Tanwan Inc. 貪玩" in accordance with Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

Details of the Change of Company Name are set out in the circular of the Company dated July 21, 2025, the poll results announcement of the extraordinary general meeting dated August 8, 2025, and the announcement of the Company dated August 28, 2025.

Management Discussion and Analysis

Significant Investment and Investment Portfolio

As of December 31, 2025, the Group held an aggregate of RMB1,424.0 million of investments at fair value in Century Huatong, representing 19.3% of the Group's total assets as of December 31, 2025. The Group directly held 83,471,574 shares in Century Huatong, representing approximately 1.1% of its total issued shares, and the investment cost was RMB637.2 million. During the Reporting Period, the accumulated unrealized fair value gain from such investment amounted to RMB786.8 million. No dividend was received from such investment during the Reporting Period. Century Huatong is primarily engaged in automobile components, internet game and artificial intelligence businesses. The Group's investment in Century Huatong is for strengthening strategic alliance with a major player in the digital entertainment industry chain.

The Group's investments in associates increased from RMB175.3 million as of December 31, 2024 to RMB579.3 million as of December 31, 2025 mainly due to our investment in Jiaxing Xukai Enterprise Management Partnership (Limited Partnership) (嘉興旭愷企業管理合夥企業(有限合夥)) ("**Jiaxing Xukai**"). With an aim to invest in companies with significant growth potential in the mobile game industry, in June 2023, we, together with two independent third parties, namely Shanghai Shengyi Network Technology Co., Ltd. (上海盛薏網絡科技有限公司) and Shanghai Jiale Network Technology Co., Ltd. (上海佳樂網絡科技有限公司), as limited partners and an independent third party, namely Shanghai Erta Network Technology Co., Ltd. (上海爾塔網絡科技有限公司), as general partner, established Jiaxing Xukai. We invested approximately RMB235.2 million for 42% limited partnership interest in Jiaxing Xukai. As of December 31, 2025, Jiaxing Xukai held approximately 1.1% of the total issued shares of Century Huatong. Our investment in Jiaxing Xukai represents 7.8% of the Group's total assets as of December 31, 2025. During the Reporting Period, the accumulated unrealized fair value gain from such investment amounted to RMB400.5 million. No dividend was received from such investment during the Reporting Period.

As of December 31, 2025, the Group held an aggregate of RMB1,318.8 million of investments at fair value in a single asset management plan comprising of shares in Moore Threads, representing 17.9% of the Group's total assets as of December 31, 2025. The Group was interested in 3,325,166 shares in Moore Threads, representing approximately 0.7% of its total issued shares, and the investment cost was RMB390.5 million. During the Reporting Period, the accumulated unrealized fair value gain from such investment amounted to RMB928.3 million. No dividend was received from such investment during the Reporting Period. Moore Threads is primarily engaged in R&D, design and commercialization of graphics processing units (GPUs) and related products. The Group's investment in Moore Threads is for strategic cooperation in the AI areas.

As of December 31, 2025, save as disclosed above, there was no other significant investments held (including any investment in an investee company with a value of 5% or more of the Group's total assets) by the Group.

Investment Policy

1. Investment Policy and Objectives

The Company's investment policy aims to preserve and grow its assets while exploring strategic opportunities that align with its corporate strategy and principal business operations. The purpose of these investments is to generate long-term value, maintain sufficient liquidity for operational needs, and foster potential synergies with other enterprises to support future growth.

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

- **Listed Equities:** Investments in publicly traded companies with strong growth potential, strategic value, industry synergy and alignment with the Company's long-term goals. These investments are expected to not only deliver financial returns but also provide opportunities for strategic partnerships, co-development initiatives, and knowledge sharing that can drive mutual growth. Investments are limited to stocks traded on recognized stock exchanges (e.g., SSE, SZSE, NYSE, NASDAQ, HKEX, LSE) unless otherwise approved the Investment Voting Committee (the "**Committee**"). Investments in companies subject to prolonged trading suspension, significant regulatory or legal uncertainties, or those with clear indicators of delisting risks are generally not permissible.

Management Discussion and Analysis

- **Unlisted Equities:** Investments in private companies that offer opportunities for collaboration, joint ventures, or integration with the Company's business operations. Investments may also target startups or growth-stage companies with innovative business models or untapped market potential, or those operating in emerging industries or markets that align with the Company's long-term strategic priorities.
- **Bonds:** Investments in government and corporate bonds are evaluated based on creditworthiness, with a preference for bonds rated BBB+ or above by recognized credit rating agencies.
- **Low-risk Wealth Management Products:** Investments in other low-risk financial instruments, structured deposit, fixed-income products and money market funds and other products classified as or equivalent to risk level of R2 or below to manage liquidity and seize short-term opportunities.

While the above categories represent the primary focus of the Company's investment activities, the Company retains the flexibility to explore investments in trust products, cryptocurrencies and financial derivatives, each of which will undergo independent due diligence and is subject to approval by the Committee.

The investment strategy is closely aligned with the Company's corporate strategy, focusing on assets that complement its principal businesses and strategic priorities. The Company's approach combines long-term investments, which target sustainable growth and strategic collaboration, with short-term investments, which aim to maintain liquidity and capture 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.

Defined Risk Limits and Metrics:

The Company assesses risks such as liquidity, valuation, regulatory, and foreign exchange risks. It utilizes measurable metrics such as portfolio concentration, credit ratings, and market exposure to evaluate and mitigate these risks. Diversification across asset classes, sectors, and geographies is employed to reduce overall portfolio risk.

- **Liquidity Buffer:** The Company maintains a reasonable liquidity buffer to ensure operational flexibility and financial stability. Investments in liquid assets, such as money market funds and short-term bonds, provide the ability to meet financial obligations and respond to market changes promptly. A minimum of 10% of total portfolio will be dynamically maintained in highly liquid assets to ensure operational flexibility and financial stability unless otherwise approved by the Committee.
- **Credit Risk:** Bond investments shall have a minimum credit rating of BBB+ or equivalent unless otherwise approved by the Committee.
- **Counterparty Risk:** The Company conducts thorough due diligence on counterparties, evaluating their creditworthiness, financial stability, and compliance with regulatory requirements. Only counterparties that meet the Company's risk tolerance and performance criteria are selected. Exposure to any single counterparty will not exceed 30% of the Company's total portfolio unless otherwise approved by the Committee.
- **Other Risks:** Risks such as foreign exchange exposure, valuation risk, and regulatory changes will be carefully assessed.

Management Discussion and Analysis

Investments are reviewed quarterly based on key performance indicators, such as return on investment (ROI), risk-adjusted returns, and contribution to corporate strategy. The Financial Management Department evaluates the financial status and operational performance of all investment portfolios, providing periodic updates to the Committee.

The Company continuously monitors its investments by tracking market developments, regulatory changes, and macroeconomic conditions. Regular reviews are conducted to ensure the portfolio remains aligned with the Company's objectives and risk tolerance.

3. Approval and Oversight Mechanisms

The Company's investment policy and activities are governed by the Committee, which reports directly to the Board and ensures that all decisions align with the Company's corporate objectives.

- *Roles and Authority of the Committee:*

The Committee is responsible for reviewing and approving significant investment decisions, monitoring portfolio performance, and making necessary adjustments to the investment strategy. It evaluates proposals based on factors such as growth potential, synergy opportunities, risk-adjusted returns, and alignment with the Company's strategy.

- *Composition of the Committee:*

The Committee currently comprises the following members:

- o Mr. Wu Xubo (our Executive Director)
- o Ms. Wu Xuan (our Executive Director)

The Committee is structured to ensure that decisions are made with diverse perspectives and strategic insight, leveraging the expertise of its members.

- *Approval Process:*

All investment proposals, other than purchase of low-risk wealth management products not exceeding 5% of the most recent audited/reviewed total assets of the Company, will be subject to review and approval by the Committee. Investment proposals are submitted by management and must include detailed analysis, rationale, and supporting data. The Committee may seek advice from external experts and advisors as needed. Proposals are thoroughly reviewed to ensure compliance with the Company's risk management framework and alignment with its objectives. Unanimous approval is required for the Committee's decision making. The approval of investments by the Board and Shareholders will adhere to the requirements of Chapter 14 and Chapter 14A of the Listing Rules.

- *Monitoring and Reporting:*

The Committee conducts annual reviews of the investment portfolio and reports findings to the Board. The Committee discusses the investment opportunities from time to time but quarterly updates by the Financial Management Department are provided to ensure transparency and accountability. Independent audits may be conducted to assess compliance with investment policies and risk management measures.

By maintaining a clear approval and oversight mechanism, the Company ensures its investment decisions are well-governed, strategically aligned, and consistent with regulatory and corporate governance requirements. The investment policy is subject to semi-annual review of the Board.

Biographies of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. WU Xubo (吳旭波), aged 40, is the co-founder, executive Director, chairman and chief executive officer. He has been a deputy to the 14th People's Congress of Jiangxi Province (江西省第十四屆人民代表大會代表) since 2023. Mr. WU has extensive experience of over 19 years in the internet technology industry. He was awarded or listed for several honors, including among others, The 19th China Brand Leaders Annual Conference (CBLs 2024) "Top 10 Chinese Brand Leaders of 2024" (第十九屆中國品牌領袖年會 (CBLs 2024) 「2024中國十大品牌領袖」), Hurun China Under 40s 2023 (2023胡潤U40中國創業先鋒), 2023 Guangzhou Good Netizen Selection Activity — the Society Big Beloved Netizen (2023廣州好網民評選活動社會大愛好網民), Honour Award — 2023 "Outstanding Caring Entrepreneur" (奧納獎 — 2023年度“傑出愛心企業家”), "Excellent Entrepreneur of China Game Industry 2022" in the China Game Industry Annual Conference (中國遊戲行業年會“2022年中國遊戲行業優秀企業家”), "Philanthropist of the Year" (年度公益人物) of the 12th Philanthropy Festival (第十二屆公益節), Top 10 Entrepreneurs in Shangrao (上饒十大企業家), The 15th "Top Ten Outstanding Youths in Shangrao" (第十五屆“上饒十大傑出青年”) and 40 People and 40 Events in 40 Years of Reform and Opening Up in Shangrao (上饒改革開放40年40人40事), awarded "Best CEO" at the 10th Zhitong Caijing Listed Companies Awards, and recognized as "Annual Outstanding Leader" at the Gelonghui "Jinge Awards."

Mr. WU has been the chairman and a director of Jiangxi Tanwan since he founded the Group in May 2015. Prior to that, Mr. WU worked in Guangzhou Weidong Network Technology Co., Ltd. (廣州維動網絡科技有限公司) ("**Guangzhou Weidong**"), a company focusing on web game operation and marketing, with his last position being the marketing director, from December 2008 to January 2015, responsible for overall marketing affairs, where he co-founded the 91wan Web Game Platform (91wan網頁遊戲平台).

Mr. WU obtained a college diploma of judicial police from Jiangxi Judicial Police Vocational College (江西司法警官職業學院) in the PRC in July 2006.

Ms. WU Xuan (吳璇), aged 41, is the co-founder, executive Director and chief operating officer. Ms. WU has extensive experience of over 18 years in the internet technology industry. Ms. WU was recognized as 2021 Industry Influencers (2021行業影響力人物) by the 10th China Finance Summit in July 2021 and recognized on 2020 China's New Growth Pioneers List (2020中國新增長先鋒人物榜) by Harvard Business Review in December 2020. Ms. WU has been a board member of Effie Performance Marketing Award (艾菲效果營銷獎) since September 2020 and served as a judge of the 2021 Effie Performance Marketing Award Finals (艾菲效果營銷獎終審).

Ms. WU has been a director of Jiangxi Tanwan since May 2015. Prior to that, Ms. WU worked in Guangzhou Weidong from December 2008 to March 2015 with her last position being a marketing director, where she co-founded the 91wan Web Game Platform (91wan網頁遊戲平台).

Ms. WU obtained a bachelor degree in human resource management from South China Normal University (華南師範大學) in the PRC through part-time study in January 2011.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. SONG Siyun (宋司筠), aged 38, was appointed as an independent non-executive Director on March 30, 2023.

Ms. SONG served as a partner of Golden Vision Capital from August 2020 to October 2021. Prior to that, Ms. SONG served as (i) a director in the investment banking department of GF Securities Co., Ltd., a public company listed on the Stock Exchange (stock code: 01776) and the Shenzhen Stock Exchange (stock code: 000776), where she was responsible for equity financing services including corporate initial public offerings and private placements, from August 2008 to May 2015; (ii) a managing director of Zhongrong International Trust Co., Ltd. (中融國際信託有限公司) from July 2016 to December 2017, where she was responsible for the equity investment and listed company business; and (iii) the general manager of Guangzhou Mintou Industry Investment Management Co., Ltd. (廣州民投產業投資管理有限公司) from December 2017 to December 2019, where she was responsible for equity investment in the healthcare industry.

Biographies of Directors and Senior Management

Ms. SONG obtained a bachelor degree in finance from Southwestern University of Finance and Economics (西南財經大學) in the PRC in June 2008.

Winding-up Order against Guangdong Keywa Chemical Trading Center Co., Ltd. (廣東奇化化工交易中心股份有限公司) (“**Guangdong Keywa**”) of which Ms. SONG Siyun was one of the five directors.

Under Rule 13.51(2)(l) of the Listing Rules, a director must disclose his/her directorship in any company which has been dissolved or put into liquidation (otherwise than by a member’s voluntary winding-up when the company, in the case of a Hong Kong company, was solvent) or bankruptcy or been the subject of an analogous proceeding during the period when he/she was one of its directors.

Ms. SONG was appointed as a non-executive director of Guangdong Keywa on December 12, 2018. Guangdong Keywa was established in the PRC on December 18, 2013 and its principal activities were operating online platforms for investments in the chemical trading markets. Compulsory winding-up proceeding was initiated against Guangdong Keywa upon a petition filed by Guangzhou Pinzhong Tax Agent Office Co., Ltd (廣州品中稅務師事務所有限公司) (the “**Petitioner**”) to Guangzhou Intermediate People’s Court on October 13, 2021 seeking a court order to wind up Guangdong Keywa on the grounds that Guangdong Keywa was indebted to the Petitioner and that Guangdong Keywa was insolvent and unable to pay its debts (the “**Claim**”). The winding-up proceeding against Guangdong Keywa was on-going as of the date of this annual report.

Ms. SONG confirmed that (i) she was merely a non-executive director of Guangdong Keywa and was not involved on any day-to-day management of Guangdong Keywa. Each board meeting Ms. SONG attended since her appointment was on corporate logistic matters such as change in corporate filing and registration; (ii) Ms. SONG and her associates were not related to any other director, shareholder, senior management of Guangdong Keywa or their respective associates; and (iii) since the Claim and up to the date of this annual report, there was no outstanding liability or ongoing claim or litigation against Ms. SONG Siyun in her capacity as a director of Guangdong Keywa.

Mr. QIN Yongde (覃永德), aged 61, was appointed as an independent non-executive Director on March 30, 2023.

Mr. QIN obtained the PRC legal professional qualification in 1989 and has accumulated experiences of more than thirty years in legal practice. Mr. QIN has been a partner and lawyer of Guangdong Neo-ark Law Firm (廣東洛亞律師事務所) since July 2021. Prior to that, Mr. QIN served as (i) the director in Guangdong Neo-ark Law Firm from September 2011 to July 2021; (ii) an independent non-executive director of Guangxi Wuyi Pipe Industry Co., Ltd. (廣西五一管業股份有限公司) from October 2017 to May 2021; (iii) a partner and associate of Guangdong United Intellectus Law Firm (廣東智洋律師事務所) from July 2001 to August 2011; (iv) a partner and associate of Guangxi Sunward Law Firm (廣西欣和律師事務所) from May 1998 to December 2000; and (v) a lecturer at the Law School of Guangxi University (廣西大學) in the PRC from July 1991 to August 1993.

Mr. QIN obtained a bachelor degree of arts in English from Guangxi Normal University (廣西師範大學) in the PRC in July 1985 and a master degree of laws in international law from Sun Yat-sen University (中山大學) in the PRC in July 1990.

Ms. ZHENG Yi (鄭怡), aged 54, was appointed as an independent non-executive Director on March 30, 2023.

Ms. ZHENG is a certified public accountant in the PRC. She served as a government procurement evaluation expert of Sichuan province from September 2022 to December 2024, and has been engaged as an off-campus graduate student tutor at the Accounting School of Southwestern University of Finance and Economics (西南財經大學) in December 2011. Ms. ZHENG also obtained the Board Secretary Qualification of Shanghai Stock Exchange in September 2004.

Biographies of Directors and Senior Management

Ms. ZHENG has been a certified public accountant of Sichuan Tongde Certified Public Accountants Firm Co., Ltd. (四川同德會計師事務所有限公司) since October 2017, focusing on audit and consultation services. Prior to that, Ms. ZHENG served as (i) several senior roles at Chengdu Peoples Department Store (Group) Co., Ltd. (成都人民商場(集團)股份有限公司) (subsequently known as Chengshang Group Co., Ltd. (成商集團股份有限公司) and currently known as Maoye Commercial Co., Ltd. (茂業商業股份有限公司) (“**Maoye Commercial**”), a public company listed on the Shanghai Stock Exchange (stock code: 600828)) from May 1997 to July 2017 with her last position being the financial controller of Maoye Commercial, where she was responsible for overall financial management and accounting matters; and (ii) the board secretary of Maoye Commercial from April 2009 to July 2017 where she was responsible for the information disclosure and maintaining the relationship with investors. Ms. ZHENG was also a director of Maoye Commercial from April 2009 to July 2017.

Ms. ZHENG obtained a bachelor degree in accounting from the Central Broadcast and Television University (中央廣播電視大學) (currently known as The Open University of China (國家開放大學)) and Beijing Technology and Business University (北京工商大學) in the PRC jointly through part-time study in July 2003.

SENIOR MANAGEMENT

In addition to the executive Directors, the senior management team of the Group also includes Mr. LUO Xihu (羅錫虎).

Mr. LUO Xihu (羅錫虎), aged 37, has been the head of operating of the Group since he joined the Group in June 2015. Prior to that, Mr. LUO served as a marketing director in Guangzhou Weidong from July 2010 to March 2015, where he was responsible for external marketing.

Mr. LUO obtained a bachelor degree in management from South China Agricultural University (華南農業大學) in the PRC in July 2010.

Save as disclosed above, none of the Directors and senior management held any directorship in any public companies whose securities were listed on any securities market in Hong Kong or overseas in the three years immediately preceding the date of this annual report.

To the best of the Board’s knowledge, information and belief, save as disclosed in the annual report, the Directors and senior management do not have any relationship amongst them.

CHANGES TO DIRECTORS’ INFORMATION

During the year ended December 31, 2025, the Directors confirm that no information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.



Directors' Report

The Board of the Company is pleased to present this report of Directors together with the consolidated financial statements of the Group for the year ended December 31, 2025.

BOARD OF DIRECTORS

The Board currently comprises two executive Directors and three independent non-executive Directors.

The Directors during the year ended December 31, 2025 and up to the date of this report were:

Executive Directors:

Mr. WU Xubo (*Chairman, Chief Executive Officer*)

Ms. WU Xuan (*Chief Operating Officer*)

Independent Non-Executive Directors:

Ms. SONG Siyun

Mr. QIN Yongde

Ms. ZHENG Yi

GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on March 18, 2021 as an exempted company with limited liability under the laws of the Cayman Islands. The Company's Shares were listed on the Main Board of the Stock Exchange on September 28, 2023.

PRINCIPAL ACTIVITIES

The Group is a publisher of online game products in China, devoted to marketing and operating online games (in particular mobile games) in China.

RESULTS

The results of the Group for the year ended December 31, 2025 are set out in the consolidated statement of profit or loss and other comprehensive income on page 71 of this annual report.

BUSINESS REVIEW

A fair review of the business of the Group as required by Schedule 5 to the Companies Ordinance, including an analysis of the Group's financial performance and an indication of likely future developments in the Group's business is set out in the sections headed "Letter to Shareholders" and "Management Discussion and Analysis" of this annual report. All such discussions form part of this Directors' report.

PRINCIPAL RISKS AND UNCERTAINTIES

The following list is a summary of certain principal risks and uncertainties faced by the Group, some of which are beyond its control:

- the mobile game industry is highly competitive and the Company's business may be continually affected by newly launched game products. If the Company is unable to compete effectively with existing or new competitors, its business, financial condition, results of operations and prospects could be materially and adversely affected;
- the Company operates in a fast-evolving industry and cannot guarantee that it will continually innovate, adapt and respond timely to the rapid changes in end-user preferences. The Company cannot guarantee that it will generate sustainable revenues and profit;

- the historical financial and operating results may not be indicative of the Company's future performance, and it may not be able to achieve and sustain the historical level of revenue and profitability;
- the Company may be subject to claims of IP infringement, which may disrupt its business and operations and could be expensive to defend;
- a substantial portion of the revenue was generated from the Company's major clients for marketing and operating game products. If its game products fail to attract and retain users, its business, financial condition and results of operation may be materially and adversely affected;
- the Company is subject to risks associated with its collaborating business partners. Any delay or failure by such parties to successfully perform their obligations, provide reliable or satisfactory services, or operate their businesses could adversely affect the Company's business and results of operations;
- the Company relies on its Hetu (河圖) and Luoshu (洛書) systems to generate certain key operating metrics, and any malfunction or interruption of the technical infrastructure of its Hetu and Luoshu systems may affect the accuracy of the Company's data analytics;
- our international strategy and ability to conduct business in international markets may be adversely affected by legal, regulatory, political and economic risks. Changes in geopolitical environment, including international trade policies, trade restrictions and sanctions, may adversely impact our business, financial condition and results of operations;
- any failure to maintain or improve the Company's technology system could harm its business and prospects;
- the Group's business generates and processes a large amount of data, and the Company is required to comply with PRC and other applicable laws relating to privacy and cyber security. The improper use or disclosure of data could have a material and adverse effect on its business and prospects; and
- if the content contained within the game product is considered inappropriate, the Company's business, financial condition and results of operation may be materially and adversely affected.

However, the above is not an exhaustive list. Investors are advised to make their own judgment or consult their own investment advisors before making any investment in the Shares.

ENVIRONMENTAL POLICIES AND PERFORMANCE

It is the Company's corporate and social responsibility to promote a sustainable environment, contribute to employee well-being and give back to community. The Company strives to operate its workplace and data centers in a manner that protects the environment and the health and safety of its employees and communities. During the Reporting Period, the Company was not subject to any material fines or other penalties due to non-compliance with health, safety or environmental regulations.

The 2025 Environmental, Social and Governance Report of the Company is published on the websites of the Stock Exchange and the Company on the same date as the publication of this annual report.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

As far as the Board and management are aware, the Group has complied in all material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. For the year ended December 31, 2025, there was no material breach of laws and regulations by the Group.

Directors' Report

EMPLOYEE AND REMUNERATION POLICIES

As of December 31, 2025, the Group had 1,239 employees (December 31, 2024: 912), all of whom were based in China (including Taiwan and the special administrative regions of Hong Kong and Macau). The number of employees employed by the Group varies from time to time depending on need. The Company offers its employees competitive compensation packages and a collaborative working environment and, as a result, it has generally been able to attract and retain qualified personnel and maintain a stable, core management team. The Company compensates its employees with salaries, allowances and benefits in kind, equity-settled share payment expenses and pension scheme contributions.

In accordance with the laws and regulations in the PRC, the Group has arranged its PRC employees to join defined contribution plans, including pension, medical, housing and other welfare benefits, organized by the PRC government. The Group contributes funds which are calculated on fixed percentages of the employees' salary (subject to a floor and cap) as set by local municipal governments to each local scheme to fund the retirement benefits of the employees. No forfeited contribution under this scheme is available to reduce the contribution payable in future years. The Group also provides social insurance, including pension insurance, unemployment insurance, work-related injury insurance and medical insurance for the employees of the Group as required under PRC laws and regulations. Particulars of the pension scheme of the Group are set out in note 6 to the consolidated financial statements.

The Group operates a mandatory provident fund scheme (the **"MPF scheme"**) under the Hong Kong Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for employees employed under the jurisdiction of the Hong Kong Employment Ordinance (Chapter 57 of the Laws of Hong Kong) who are not previously covered by the defined benefit retirement plan. The MPF scheme is a defined contribution retirement plan administered by independent trustees.

The Group has also adopted the Pre-IPO Share Option Plan for the purpose of providing incentives and rewards to eligible participants (including the Group's employees) who contribute to the success of the Group's operations. Please refer to the section headed "Pre-IPO Share Option Plan" in this annual report for further details.

The total remuneration cost incurred by the Group for the year ended December 31, 2025 was RMB301.6 million, as compared to RMB366.5 million for the year ended December 31, 2024.

The Group regularly reviews the remuneration policies and overall compensation of its employees. For the year ended December 31, 2025, the Group did not experience any material labor disputes or strikes that may have a material and adverse effect on its business, financial condition or results of operations, or any material difficulty in recruiting employees.

MAJOR CLIENTS

For the year ended December 31, 2025, the Company's major clients primarily consisted of developers of game products.

During the Reporting Period, the Company's revenue generated from its five largest clients accounted for 65.6% of its total revenue (2024: 65.4%). During the Reporting Period, the Company's revenue generated from its largest client accounted for 36.8% of its total revenue (2024: 27.2%).

None of the Directors, their respective close associates, or any Shareholder who, to the best of the Directors' knowledge, owns more than 5% of the Company's issued capital, had any interest in any of the five largest clients during the year ended December 31, 2025.

For the year ended December 31, 2025, the Company did not experience any significant disputes with its clients.

MAJOR SUPPLIERS

For the year ended December 31, 2025, the Company's major suppliers primarily consisted of third-party advertising, marketing and channel distribution service agencies or providers.

During the Reporting Period, the Company's purchase amount from its five largest suppliers accounted for 47.6% of its total purchases (2024: 45.0%). During the Reporting Period, the Company's purchase amount from its largest supplier accounted for 19.5% of its total purchases (2024: 11.8%).

None of the Directors, their respective close associates, or any Shareholder who, to the best of the Directors' knowledge, owns more than 5% of the Company's issued capital, had any interest in any of the five largest suppliers during the year ended December 31, 2025.

For the year ended December 31, 2025, the Company did not experience any significant disputes with its suppliers.

KEY RELATIONSHIPS WITH STAKEHOLDERS

The Group recognizes that various stakeholders including suppliers, employees, Shareholders, and other business associates are key to Group's success. The Group strives to achieve corporate sustainability through engaging, collaborating, and cultivating strong relationship with them.

Relationship with Employees

The Group embraces its employees as the most valuable assets of the Group. The objective of the Group's human resources management is to reward and recognize outstanding employees by providing competitive remuneration packages and implementing a sound performance appraisal system with appropriate incentives, and to promote career development and progression within the Group by providing adequate training and opportunities.

Relationship with Clients

The Group maintained good and stable relationship with its existing clients, primarily consisting of developers of game products. As a game product publisher, the Group needs to source and obtain license of game products with great potential to become popular among users from game developers. The Company's operation department and marketing department will routinely monitor the game products newly launched by its major clients and reach out for potential cooperation opportunities from time to time.

Relationship with Suppliers

The Group maintained good and stable relationship with its existing suppliers, primarily consisting of third-party advertising, marketing and channel distribution service agencies or providers. The Group publishes and promotes game products through such major channels. The Company's new media department routinely monitors profit sharing ratio among different channels for benchmarking and cost control purposes.



Directors' Report

Relationship with Shareholders

The Group recognizes the importance of protecting the interests of the Shareholders and of having effective communication with them. The Company believes communication with the Shareholders is a two-way process and has thrived to ensure the quality and effectiveness of information disclosure, maintain regular dialogue with the Shareholders and listen carefully to the views and feedback from the Shareholders. This has been done through general meetings, corporate communications, interim and annual reports and results announcements.

FINANCIAL SUMMARY

A summary of the audited consolidated results and the assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements, is set out on page 3 of this annual report. This summary does not form part of the audited consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Article of Association and the laws of the Cayman Islands which would oblige the Company to offer new Shares on a pro-rata basis to the existing Shareholders.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's securities.

SUBSIDIARIES

Particulars of the Company's subsidiaries are set out in Note 1 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of property, plant and equipment of the Group for the year ended December 31, 2025 are set out in Note 13 to the consolidated financial statements.

During the Reporting Period, the percentage ratios of the Company's properties held for development and/or sale or for investment purposes did not exceed 5%.

SHARE CAPITAL AND SHARES ISSUED

Details of movements in the share capital of the Company for the year ended December 31, 2025 and details of the Shares issued for the year ended December 31, 2025 are set out in Note 29 to the consolidated financial statements.

DONATION

For the year ended December 31, 2025, the Group made charitable donations of RMB4.2 million (2024: RMB5.2 million).

DEBENTURE ISSUED

Save for the Convertible Bonds, the Group did not issue any debentures during the Reporting Period.

EQUITY-LINKED AGREEMENTS

Save as disclosed in the sections headed "Pre-IPO Share Option Plan" and "2026 Restricted Share Unit Scheme" in this annual report, no equity-linked agreement was entered into by the Group, or existed for the year ended December 31, 2025.

DIVIDENDS

The Board did not recommend the distribution of a final dividend for the year ended December 31, 2025 (2024: Nil).

PERMITTED INDEMNITY

Pursuant to Article 205 of the Articles of Association and subject to the applicable laws and regulations, every Director shall be indemnified and secured harmless against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities which they or any of them incurred or sustained, other than by reason of such Director's own dishonesty, willful default or fraud, in or about the conduct of the Company's business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of his/her duties, powers, authorities or discretions. Such permitted indemnity provision for the benefit of the Directors has been in force during the Reporting Period. The Company has taken out liability insurance to provide appropriate coverage for the Directors.

DISTRIBUTABLE RESERVES

The Company may pay dividends out of the share premium account, retained earnings and any other reserves provided that immediately following the payment of such dividends, the Company will be in a position to pay off its debts as and when they fall due in ordinary course of business. As of December 31, 2025, the Company had distributable reserves amounting to RMB411.3 million (December 31, 2024: RMB545.9 million).

Details of movements in the reserves of the Group during the year ended December 31, 2025 are set out in the consolidated statement of changes in equity on page 74 of this annual report.

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Group as of December 31, 2025 are set out in the section headed "Management Discussion and Analysis" in this annual report and Note 27 to the consolidated financial statements on page 138 of this annual report.

CONVERTIBLE BONDS

On January 8, 2026, the Company completed the issue of the HK\$468,000,000 zero coupon Convertible Bonds due 2027 under the general mandate to LMR Multi-Strategy Fund Limited, an independent third party. LMR Multi-Strategy Fund Limited is an exempted limited company incorporated and domiciled in the Cayman Islands. LMR Partners Limited acts as one of the investment managers to LMR Multi-Strategy Fund Limited. LMR Partners Limited maintains a physical presence in Hong Kong and licensed to carry out Type 9 (asset management) regulated activity under the SFO. The initial conversion price is HK\$23.50 per Share (subject to adjustments). The maturity date is January 4, 2027. The net proceeds from the issue of the Convertible Bonds (after deduction of issue fees and expenses) are approximately HK\$458.6 million. The Convertible Bonds was listed on the Vienna MTF operated by the Vienna Stock Exchange with the first trading day being January 20, 2026. Assuming full conversion of the Convertible Bonds at the initial conversion price of HK\$23.50 per Conversion Share, the Convertible Bonds will be convertible into 19,914,804 new Shares (with nominal value of US\$398.29608). The initial conversion price of HK\$23.50 per Conversion Share represents (i) a premium of approximately 38.24% to the closing price of the Shares of HK\$17.00 per Share as quoted on the Stock Exchange on the last trading date before the date of the subscription agreement; and (ii) a premium of approximately 41.67% to the average closing price of HK\$16.59 per Share for the last five consecutive trading days up to and including the last trading date before the date of the subscription agreement. The Group intends to apply all of the net proceeds towards AI-related business investments and equity investments with regard to AI industries. Among others, 50% of the net proceeds will be allocated for AI-related business, including but not limited to the development of AI infrastructure, upgrades to AI technology, and the recruitment of AI-related talents. The remaining 50% of the net proceeds will be directed towards acquiring shares in listed AI-related companies, aimed at achieving strategic synergies and fostering technological collaboration, subject to market conditions. The Convertible Bonds were secured by an assignment by the Company to the trustee by way of security of certain accounts, and charges in favor of the trustee by way of first mortgage, first fixed charge and first floating charge of certain securities and accounts.

Directors' Report

The Board considers that the issuance of the Convertible Bonds constitutes a strategic initiative to leverage the current robust market conditions in support of the Company's long-term development strategy. The issuance is expected to optimize the Company's shareholder base and enhance its market liquidity. The net proceeds from the issuance will be allocated primarily to investments in AI-related industry following the Company's "AI + Game" strategic focus. As AI technology continues to reshape the gaming industry, these investments are expected to strengthen the Company's technological capabilities and competitive position in the evolving market landscape. In addition, the proceeds from the issuance of the Convertible Bonds will supplement the Company's existing funding sources, contributing to a more balanced and efficient capital structure, and as a result strengthening the Company's financial position, improving capital efficiency, and enhancing its overall competitiveness.

For details, please refer to the announcement of the Company in relation to the proposed issue of the Convertible Bonds dated December 18, 2025 and the completion announcement dated January 8, 2026. As of the date of this report, no Shares were issued from the conversion of the Convertible Bonds and no proceeds have been used by the Company.

LOAN AGREEMENT WITH COVENANTS RELATING TO SPECIFIC PERFORMANCE OF THE CONTROLLING SHAREHOLDERS

During the year ended December 31, 2025, the Company has not entered into any loan agreement which contains covenants requiring specific performance of the Controlling Shareholders that is required to be disclosed under Rule 13.18 of the Listing Rules.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service contract with the Company on August 31, 2023. The initial term for their appointment shall be three years with effect from the date the appointment or until the third annual general meeting of the Company since the Listing Date, whichever is sooner (subject always to re-election as and when required under the Article of Association). Either party has the right to give not less than three months' written notice to terminate the agreement.

Each of the independent non-executive Directors has entered into an appointment letter with the Company on August 31, 2023, the initial term of which shall be three years with effect from the date of appointment until the third annual general meeting of the Company since the Listing Date, whichever is sooner (subject always to re-election as and when required under the Articles of Association), until terminated in accordance with the terms and conditions of the appointment letter or by either party giving to the other not less than three months' prior notice in writing.

The above appointments are always subject to the provisions of retirement and rotation of Directors under the Articles of Association.

No Director proposed for re-election at the AGM has an unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in the section headed "Connected Transactions — Contractual Arrangements" of Directors' Report in this annual report, none of the Directors or any entity connected with the Directors had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party subsisting during the Reporting Period.

CONTRACTS WITH CONTROLLING SHAREHOLDERS

Save as disclosed in the section headed "Connected Transactions — Contractual Arrangements" of Directors' Report in this annual report, no contract of significance or contract of significance for the provision of services has been entered into among the Company or any of its subsidiaries or PRC Operating Entities and the Controlling Shareholders or any of their subsidiaries during the Reporting Period.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN COMPETING BUSINESS

Each of the Director and Controlling Shareholder confirms for the year ended December 31, 2025, he or she did not have any interest in any business which competes or is likely to compete, directly or indirectly, with the businesses of the Group, and requires disclosure under Rule 8.10 of the Listing Rules.

POTENTIAL CONFLICT OF INTERESTS WITH CONTROLLING SHAREHOLDERS

The independent non-executive Directors reviewed whether there was any conflict of interests between the Group and the Controlling Shareholders and/or their close associates for the year ended December 31, 2025. The independent non-executive Directors confirmed that there was no conflict of interests between the Group and the Controlling Shareholders and/or their close associates for the same period.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed for the year ended December 31, 2025.

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

As of December 31, 2025, the interests and short positions of the Directors or chief executives of the Company and their associates in any of the Shares, underlying Shares and debentures of the Company or its associated corporation (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, are set out below:

Interest in Shares and underlying Shares

Name of Director/chief executive	Nature of interest	Number of ordinary shares	Approximate percentage of shareholding in total issued share capital of the Company
Mr. WU Xubo ⁽¹⁾⁽²⁾	Settlor of a discretionary trust; beneficiary of a trust; interest in controlled corporation ⁽¹⁾	273,223,800 (L)	51.12% (L)
	Beneficial interest ⁽²⁾	4,255,157 (L)	0.80% (L)
Ms. WU Xuan ⁽³⁾	Settlor of a discretionary trust; beneficiary of a trust; interest in controlled corporation ⁽³⁾	38,487,000 (L)	7.20% (L)

(L) denotes a long position

Notes:

- (1) Mr. WU Xubo is interested in 273,223,800 Shares through WXB BVI 2, which is owned by WXB BVI 1 and WXB Holdco as to 50.0% and 50.0%, respectively. WxLand Trust was established by Mr. WU Xubo as the settlor and TMF (Cayman) Ltd. as the trustee. WxLand Trust is a discretionary trust and its beneficiaries are Mr. WU Xubo and WXB BVI 1. Mr. WU Xubo is also a director of each of WXB BVI 1 and WXB BVI 2. WXB BVI 2 holds 264,263,000 Shares of the Company directly. In addition, 8,960,800 Shares were repurchased by the Company and held as treasury Shares as of December 31, 2025. Since Mr. WU Xubo indirectly controls one-third or more of the voting power through WXB BVI 2 at the Company's general meetings, he and WXB BVI 2 are also taken to have an interest in such 8,960,800 treasury Shares of the Company under SFO.

Directors' Report

- (2) Mr. WU Xubo was granted options under the Pre-IPO Share Option Plan on November 16, 2022, March 16, 2023, March 31, 2023, June 30, 2023, July 31, 2023 and September 7, 2023 to subscribe for 3,819,592 Shares, 61,855 Shares, 10,309 Shares, 167,525 Shares, 41,237 Shares and 154,639 Shares, respectively.
- (3) Ms. WU Xuan held her Shares through WxZela International Ltd, which is wholly-owned by Zela Holding Limited, and is in turn wholly-owned by WxZela Trust. WxZela Trust is a discretionary trust established by Ms. WU Xuan (as settlor) for the benefit of WxZela Holding Limited, a BVI company wholly-owned by Ms. WU Xuan, and is managed by Hanssen Trust Limited (“**Hanssen Trust**”). Ms. WU Xuan is also a director of each of WxZela International Ltd and Zela Holding Limited.

Interest in Associated Corporation

Name of Director/chief executive	Nature of interest	Associated Corporation	Number of ordinary shares (registered share capital (RMB))	Approximate percentage of shareholding in the associated corporation
Mr. WU Xubo	Interest in controlled corporation ⁽¹⁾	Jiangxi Tanwan	4,550,000 (L)	45.50% (L)
	Beneficial Owner ⁽¹⁾		635,260 (L)	6.35% (L)
Ms. WU Xuan	Interest in controlled corporation ⁽²⁾	Jiangxi Tanwan	1,164,740 (L)	11.65% (L)
	Beneficial Owner ⁽²⁾		300,000 (L)	3.00% (L)

(L) denotes a long position

Notes:

- (1) Mr. WU Xubo held approximately 6.35% equity interests in Jiangxi Tanwan directly. Shangrao Hongbang Enterprise Management Center (Limited Partnership) (上饒縣宏邦企業管理中心(有限合夥)), the general partner of which is Mr. WU Xubo, held 45.50% equity interests in Jiangxi Tanwan.
- (2) Ms. WU Xuan held 3.00% equity interests in Jiangxi Tanwan directly. Shangrao Qichuang Enterprise Management Center (Limited Partnership) (上饒市齊創企業管理中心(有限合夥)), the general partner of which is Ms. WU Xuan, held approximately 11.65% equity interests in Jiangxi Tanwan.

As of December 31, 2025, save as disclosed above, so far as is known to any Director or the chief executive of the Company, none of the Directors nor the chief executives of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (a) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (b) were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

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

As of December 31, 2025, so far as the Directors are aware, the persons who held interests and/or short positions in the Shares or underlying Shares of the Company as recorded in the register required to be kept pursuant to Section 336 of the SFO, are set out below:

Name of Shareholder	Nature of interest	Number of Ordinary Shares	Approximate percentage of shareholding in the total issued share capital
Mr. WU Xubo ⁽¹⁾⁽²⁾	Settlor of a discretionary trust; beneficiary of a trust; interest in a controlled corporation ⁽¹⁾	273,223,800 (L)	51.12% (L)
	Beneficial interest ⁽²⁾	4,255,157 (L)	0.80% (L)
WXB BVI 2 ⁽¹⁾	Beneficial interest	273,223,800 (L)	51.12% (L)
WXB BVI 1 ⁽¹⁾	Interest in a controlled corporation	273,223,800 (L)	51.12% (L)
WXB Holdco ⁽¹⁾	Interest in a controlled corporation	273,223,800 (L)	51.12% (L)
TMF (Cayman) Ltd. ⁽¹⁾	Trustee of a trust	273,223,800 (L)	51.12% (L)
Ms. WU Xuan ⁽³⁾	Settlor of a discretionary trust; beneficiary of a trust; interest in controlled corporation ⁽³⁾	38,487,000 (L)	7.20% (L)
WxZela International Ltd ⁽³⁾	Beneficial interest	38,487,000 (L)	7.20% (L)
Zela Holding Limited ⁽³⁾	Interest in a controlled corporation	38,487,000 (L)	7.20% (L)
Hanssen Trust ⁽⁴⁾	Trustee of a trust	63,487,000 (L)	11.88% (L)

(L) denotes a long position

Notes:

- As far as the Directors know, as of December 31, 2025, Mr. WU Xubo is interested in 273,223,800 Shares through WXB BVI 2, which is owned by WXB BVI 1 and WXB Holdco as to 50.0% and 50.0%, respectively. WxLand Trust was established by Mr. WU Xubo as the settlor and TMF (Cayman) Ltd. as the trustee. WxLand Trust is a discretionary trust and its beneficiaries are Mr. WU Xubo and WXB BVI 1. WXB BVI 2 holds 264,263,000 Shares of the Company directly. In addition, 8,960,800 Shares were repurchased by the Company and held as treasury Shares as of December 31, 2025. Since the Controlling Shareholders controlled one-third or more of the voting power at the Company's general meetings, each of the Controlling Shareholders and TMF (Cayman) Ltd. is also taken to have an interest in such 8,960,800 treasury Shares of the Company under SFO. However, according to the records kept in the register maintained under section 336 of the Securities and Futures Ordinance, WXB BVI 2, WXB BVI 1, WXB Holdco and TMF (Cayman) Ltd. hold 272,619,800 Shares of the Company.
- Mr. WU Xubo was granted options under the Pre-IPO Share Option Plan on November 16, 2022, March 16, 2023, March 31, 2023, June 30, 2023, July 31, 2023 and September 7, 2023 to subscribe for 3,819,592 Shares, 61,855 Shares, 10,309 Shares, 167,525 Shares, 41,237 Shares and 154,639 Shares, respectively.

Directors' Report

- (3) Ms. WU Xuan held her Shares through WxZela International Ltd, which is wholly-owned by Zela Holding Limited, and is in turn wholly owned by WxZela Trust. WxZela Trust is a discretionary trust established by Ms. WU Xuan (as settlor) for the benefit of WxZela Holding Limited, a BVI company wholly-owned by Ms. WU Xuan, and is managed by Hanssen Trust.
- (4) Hanssen Trust serves as the trustee of the relevant trust. Among them, 38,487,000 shares are held by WxZela International Ltd, which is ultimately held by Ms. Wu Xuan as the relevant trust grantor. 25,000,000 shares are held by W.xH International Ltd, which is controlled by an employee of the Company as the relevant trust grantor.

As of December 31, 2025, save as disclosed above, the Directors and the chief executives of the Company are not aware of any other person (other than the 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 be required to be notified to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO; or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

PRE-IPO SHARE OPTION PLAN

The following is a summary of the principal terms of the Pre-IPO Share Option Plan of the Company as approved and adopted by the resolution of the Board dated November 4, 2022.

Purpose

The purpose of the Pre-IPO Share Option Plan is to enable the Company to grant options to eligible participants ("**Eligible Participants**", each an "**Eligible Participant**") as incentives or rewards for their contribution or potential contribution to the Group.

Eligible Participants

Eligible Participants mean any persons belonging to any of the following classes of persons:

- (i) any full-time employees of the Group or any of the company in which the Company or any subsidiary has any equity interest ("**Invested Entity**");
- (ii) any non-executive directors of the Group or any of the Invested Entities but excluding any independent non-executive directors;
- (iii) consultants and advisers, provided that such consultants and advisers render bona fide services and that such services are not in connection with the offer and sale of securities in a capital-raising transaction; and
- (iv) general partners.

The options under this Pre-IPO Share Option Plan can be granted to any company wholly-owned by one or more Eligible Participants, or any discretionary trust where any eligible participant is a discretionary object.

Total Number of Shares Available for Issue

A maximum of 17,463,918 Shares granted under the Pre-IPO Share Option Plan has been issued to the ESOP BVIs to hold on trust for the Pre-IPO Share Option Plan on November 22, 2022. As such, no Share is available for issue under the Pre-IPO Share Option.

As of December 31, 2025, the aggregate number of underlying Shares pursuant to the outstanding options granted under the Pre-IPO Share Option Plan is 4,255,157 Shares, representing approximately 0.81% of the total issued Shares (excluding treasury shares) as of December 31, 2025. Details of the Pre-IPO Share Option Plan are set out in Note 30 to the consolidated financial statements.

Maximum Entitlement of Eligible Participant

The Pre-IPO Share Option Plan did not contain any restriction on the maximum entitlement of each Eligible Participant.

Period within Which the Option may be Exercised under the Pre-IPO Share Option Plan

The exercise period of the share options granted under the Pre-IPO Share Option Plan is ten (10) years commencing from the date upon which the share options are deemed to be granted and accepted pursuant to the terms of the Pre-IPO Share Option Plan.

Subject to the terms of the Pre-IPO Share Option Plan, an option shall be exercised in one board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof or such other number as agreed by the Board, by the grantee by giving notice in writing to the Company stating that the option is thereby exercised and the number of Share in respect of which it is exercised.

Vesting Period of Options Granted under the Pre-IPO Share Option Plan

If the Board determines to offer an option to an Eligible Participant in accordance with the Pre-IPO Share Option Plan, the Company shall deliver a written offer notice (the “**Offer Notice**”) to the relevant Eligible Participant in such form as the Company may deem appropriate. The Board may specify in the Offer Notice any conditions which must be satisfied before the Option may be exercised, including without limitation minimum periods for which an option must be held before it can be exercised during a certain period of time, as the Board may determine from time to time.

Acceptance of the Option

An option shall be deemed to have been granted to and accepted by the Grantee and to have taken effect when (a) the Offer Notice has been duly delivered to the Eligible Participant; and (b) the Option to which the Offer Notice related has been duly accepted by the Eligible Participant through the ESOP System. As such, no amount is payable on the acceptance of the option.

Basis of Determining the Exercise Price of Options

The exercise price in relation to each option offered to an Eligible Participant shall, subject to the adjustments in the event of any capital restructuring as stipulated in the Pre-IPO Share Option Plan, be a price that is set out in the Offer Notice representing not less than the par value of a Share, as determined by the Board at its sole discretion.

The Remaining Life of the Pre-IPO Share Option Plan

The Pre-IPO Share Option Plan is terminated on the Listing Date and therefore it has no remaining life. Any option granted under the Pre-IPO Share Option Plan shall become exercisable after the Listing Date after which no further options shall be granted under the Pre-IPO Share Option Plan but the provisions of the Pre-IPO Share Option Plan shall in all other respects remain in full force and effect to the extent necessary to give effect to the exercise of any options granted prior thereto or otherwise as may be required in accordance with the provisions of the Pre-IPO Share Option Plan and options granted prior thereto but not yet exercised shall continue to be valid and exercisable in accordance with the Pre-IPO Share Option Plan.

Further details of the Pre-IPO Share Option Plan are set out in section headed “Statutory and General Information – D. Pre-IPO Share Option Plan” in Appendix IV to the Prospectus.



Directors' Report

Movements of Options during the Reporting Period

Pursuant to Rule 17.12 of the Listing Rules, particulars and movements of options under the Pre-IPO Share Option Plan during the Reporting Period were as follows:

Category of grantees	Date of grant	Exercise price per Share	Exercise period	Vesting period	Outstanding as of January 1, 2025	Number of options				Outstanding as of December 31, 2025	Weighted average closing price ⁽³⁾ (HKD per Share)
						granted	During the Reporting Period exercised	lapsed	cancelled		
Director											
Mr. Wu Xubo (Executive Director)	November 16, 2022	US\$0.00002 per Share	November 16, 2022 to November 15, 2032	Note (1)	3,819,592	–	–	–	–	3,819,592	N/A
	March 16, 2023	US\$0.00002 per Share	March 16, 2023 to March 15, 2033	Note (1)	61,855	–	–	–	–	61,855	N/A
	March 31, 2023	US\$0.00002 per Share	March 31, 2023 to March 30, 2033	Note (1)	10,309	–	–	–	–	10,309	N/A
	June 30, 2023	US\$0.00002 per Share	June 30, 2023 to June 29, 2033	Note (1)	167,525	–	–	–	–	167,525	N/A
	July 31, 2023	US\$0.00002 per Share	July 31, 2023 to July 30, 2033	Note (1)	41,237	–	–	–	–	41,237	N/A
	September 7, 2023	US\$0.00002 per Share	September 7, 2023 to September 6, 2033	Note (1)	154,639	–	–	–	–	154,639	N/A
					4,255,157	–	–	–	–	4,255,157	N/A
4 Highest Paid Individuals⁽²⁾	November 16, 2022	US\$0.00002 per Share	November 16, 2022 to November 15, 2032	Note (1)	386,598	–	386,598	–	–	–	10.86
Other grantees	November 16, 2022	US\$0.00002 per Share	November 16, 2022 to November 15, 2032	Note (1)	4,547,690	–	4,498,722	48,968	–	–	10.92
Total					9,189,445	–	4,885,320	48,968	–	4,255,157	–

Notes:

- (1) Twenty-five percent (25%) of the options granted to such grantee will vest on the day after the first three months of the Listing Date, and twenty-five percent (25%) of the options granted to such grantee will vest half-yearly thereafter.
- (2) The other one highest paid individual of the Company during the Reporting Period is our Director, being Mr. WU Xubo, whose interests in the underlying Shares in connection with the options granted to him are disclosed under the "Director" section of the above table.
- (3) The weighted average closing price in this column refers to the weighted average closing price of the Shares immediately before the date on which the options were exercised.

There is no performance target for the options granted under the Pre-IPO Share Option Plan.

Each of the ESOP BVIs is wholly owned by a same trustee, which will not exercise any voting rights attached to such Shares at the Company's general meetings.

2026 RESTRICTED SHARE UNIT SCHEME

The Board approved and adopted the restricted share unit Scheme (the “**2026 Restricted Share Unit Scheme**” or the “**Scheme**”) on February 5, 2026. The principal terms of the 2026 Restricted Share Unit Scheme are set out below:

Purpose of the Scheme

The purpose of the Scheme is to attract new talents and retain employees whose contributions are important to the long-term growth and success of the Group, to recognize and reward Eligible Persons (as defined below) for their contributions to the Group, to provide Eligible Persons with the opportunity to acquire proprietary interests in the Company and to encourage Eligible Persons to further contribute to the Company and work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole.

Participants of the Scheme Eligible

Participants of the Scheme (the “**Eligible Persons**”) include employee participants, connected entity participants or service providers under the Scheme.

Total Number of Shares Available Under the Scheme

The total number of Shares which may be subject to Awards granted under the Scheme shall not exceed 10% of the total number of issued Shares (excluding treasury shares) of the Company as at the adoption date of the Scheme (the “**Adoption Date**”) (i.e. 52,510,131 shares, representing approximately 10.0% of the total issued Shares of the Company (excluding treasury shares) as of the date of this annual report). The Scheme will be satisfied solely by existing Shares purchased on the secondary market of the Stock Exchange by the trustee appointed by the Company (the “**Trustee**”) or other party designated by the Company to the Trustee.

Maximum Entitlement of Each Participant

There is no restriction of maximum entitlement of each participant under the Scheme.

Vesting Period of Awards

The Board may, in its sole and absolute discretion, determine the vesting criteria, conditions, and periods for any Award, which will be specified in the award agreement (the “**Award Agreement**”).

Purchase Price

The grantee is required to pay US\$ nil as purchase price to the Company to purchase each Award granted unless otherwise determined by the Board.

Voting Rights Attached to the Unvested Shares Held by Trustee

The Trustee holding the Shares in relation to the unvested Awards, whether directly or indirectly, shall abstain from voting on matters that require Shareholders' approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given.

Duration

The Scheme shall be valid for a period of 10 years commencing on the Adoption Date, after which no further Awards will be granted. But the provisions of the Scheme will remain in effect to the extent necessary to give effect to any Awards granted during the period of the Scheme that remain outstanding. As at the date of this annual report, the remaining life of the Scheme is nine years and ten months.

Directors' Report

Administration

The Scheme is administered by the Board and the Trustee in accordance with the Scheme Rules and the trust deed to be entered into between the Company and the Trustee. The Board's decisions on all matters arising under the Scheme, including the interpretation of its provisions, are final and binding. Subject to compliance with the Listing Rules and applicable laws and regulations, the Board may delegate its administrative powers and responsibilities to a committee of the Board or to officers of the Company. The Company will comply with the relevant requirements with Chapter 14A of the Listing Rules in case of grant to any connected person.

Lapse, Forfeiture and Cancellation of Awards

Awards shall automatically lapse, be forfeited, or be cancelled (to the extent not already vested) upon the earliest of the following circumstances: (i) the Awards fail to vest on corresponding vesting date(s); (ii) the Awards are declined or deemed to have been declined by the grantee pursuant to the Scheme Rules; (iii) the vesting conditions specified in the Grant Instrument are not fully satisfied prior to or on the relevant vesting date(s); (iv) the Selected Participant is deemed to cease to be an Eligible Person under the Scheme Rules; and (v) the occurrence of an event that triggers a lapse, forfeiture, or cancellation as specified in the Scheme Rules.

Alterations and Termination

The Scheme may be amended in any respect by a resolution of the Board, provided that any change to the terms of Awards granted to a Selected Participant must be approved by the Board, the remuneration committee of the Board and/or the independent non-executive Directors (as the case may be). The Board may terminate the Scheme at any time, after which no new Awards may be granted.

The 2026 Restricted Share Unit Scheme constitutes a share scheme under Chapter 17 of the Listing Rules and shall be subject to the applicable disclosure requirements under Rule 17.12 of the Listing Rules. However, it does not constitute a share scheme involving the issue of new Shares as referred to in Chapter 17 of the Listing Rules. Therefore, the adoption of the 2026 Restricted Share Unit Scheme is not subject to the approval of the Shareholders. If any Award is granted to a participant who is a connected person of the Company (as defined in the Listing Rules), the Company will comply with the relevant requirements under Chapter 14A of the Listing Rules (if applicable). As of the date of this report, no grant has been made under the 2026 Restricted Share Unit Scheme.

DIRECTORS' RIGHTS TO ACQUIRE

Save as disclosed in this annual report, at no time during the Reporting Period was the Company or any of its subsidiaries, fellow subsidiaries, PRC Operating Entities or its holdings companies a party to any arrangements to enable the Directors 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 spouse or children under the age of 18, had any right to subscribe for equity or debt securities of the Company or any other body corporate, or had exercised any such right.

EMOLUMENT POLICY AND DIRECTORS' REMUNERATION

In compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code, the Company has established the Remuneration Committee to formulate remuneration policies. The remuneration is determined and recommended based on each Director's and senior management's qualification, position and seniority. As for the independent non-executive Directors, their remuneration is determined by the Board upon recommendation from the Remuneration Committee.

Details of the remuneration of the Directors, senior management and the five highest paid individuals in the Group are set out in Notes 8, 9 and 35, respectively to the consolidated financial statements.

None of the Directors waived or agreed to waive any remuneration and there were no emoluments paid by the Group to any of the Directors as an inducement to join, or upon joining the Group, or as compensation for loss of office.

For the year ended December 31, 2025, The discretionary bonus payable to the Directors are approximately RMB7.0 million.

CONNECTED TRANSACTIONS

None of the related party transactions disclosed in Note 35 to the consolidated financial statements constitute connected transactions for the Company under Rule 14A.23 of the Listing Rules and are required to be disclosed in this annual report in accordance with Rule 14A.71 of the Listing Rules.

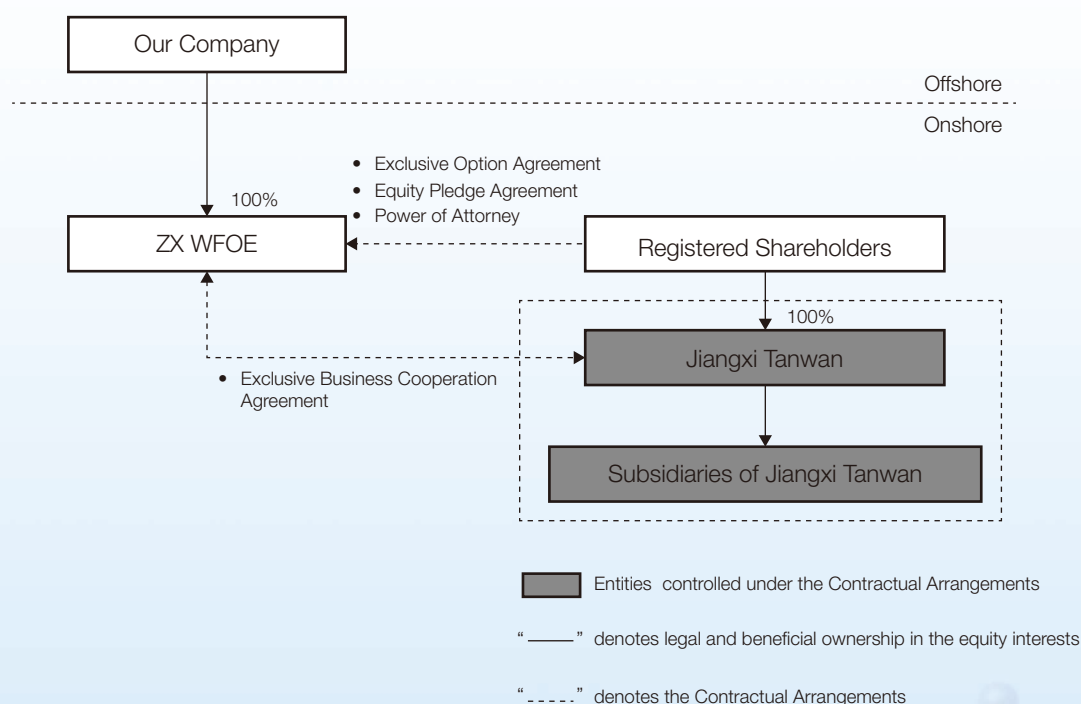
As of December 31, 2025, the Company has entered into the following continuing connected transaction pursuant to the Chapter 14A of the Listing Rules.

Contractual Arrangements

Overview

The Company, through ZX WFOE, has entered into the Contractual Arrangements with Jiangxi Tanwan and its Registered Shareholders, pursuant to which the Company has acquired effective control over the Relevant Business through the PRC Operating Entities, and become entitled to all the economic benefits derived from the PRC Operating Entities. Accordingly, the results of operations and assets and liabilities of the PRC Operating Entities can be consolidated into the Company's results of operations and assets and liabilities as if they are the subsidiaries of the Company. The total revenue of the PRC Operating Entities during the year ended December 31, 2025 was approximately RMB3,311.3 million (same period in 2024: RMB4,721.6 million), representing approximately 79.6% of the total revenue of the Group during same year, and the total assets of the PRC Operating Entities as of December 31, 2025 was approximately RMB5,680.2 million (same period in 2024: RMB4,538.1 million), representing approximately 76.9% of the total assets of the Group as of December 31, 2025.

The following simplified diagram illustrates the Contractual Arrangements:



Directors' Report

Summary of the Contractual Arrangements

A brief description of each of the specific agreements that comprises the Contractual Arrangements is set out below:

1) *Exclusive Business Cooperation Agreement*

On November 22, 2022, Jiangxi Tanwan entered into an exclusive business cooperation agreement with ZX WFOE which was amended and restated by an exclusive business cooperation agreement dated April 18, 2023 (the “**Exclusive Business Cooperation Agreement**”), pursuant to which ZX WFOE has agreed to be engaged as the exclusive provider to Jiangxi Tanwan of business support, technical and consulting services, in exchange for service fees which shall consist of 100% of the total consolidated profits of Jiangxi Tanwan after offsetting the prior-year loss (if any), operating costs, expenses, taxes and other statutory contributions. ZX WFOE has the right to at any time adjust the service fee to be charged and its payment schedule according to the quantity and content of the services it provides to Jiangxi Tanwan.

Pursuant to the Exclusive Business Cooperation Agreement, without the prior written consent from ZX WFOE, Jiangxi Tanwan shall not, during the term of the Exclusive Business Cooperation Agreement, accept the same or any similar services provided by any third party which are covered by the Exclusive Business Cooperation Agreement nor shall Jiangxi Tanwan establish cooperation relationships similar to those established by the Exclusive Business Cooperation Agreement with any third party. Besides, ZX WFOE has the exclusive and proprietary rights to all intellectual properties developed by Jiangxi Tanwan, given ZX WFOE provides consulting services to Jiangxi Tanwan. Jiangxi Tanwan is required under the Contractual Arrangements to obtain ZX WFOE's prior written consent before it transfers, assigns or disposes of any of its intellectual properties to any third party.

The Exclusive Business Cooperation Agreement shall remain effective unless (i) when Jiangxi Tanwan ceases to operate any business, becomes insolvency, bankruptcy or subject to liquidation or dissolution procedures; (ii) the entire equity interests held by the Registered Shareholders in Jiangxi Tanwan or the entire assets held by Jiangxi Tanwan have been transferred to ZX WFOE or its designee; (iii) terminated in writing by ZX WFOE thirty (30) days in advance; or (iv) when it is legally permissible for ZX WFOE to hold equity interests directly or indirectly in Jiangxi Tanwan and ZX WFOE or its appointee(s) is registered to be the shareholder of Jiangxi Tanwan. Jiangxi Tanwan is not contractually entitled to unilaterally terminate the Exclusive Business Cooperation Agreement with ZX WFOE.

2) *Exclusive Option Agreement*

On November 22, 2022, ZX WFOE, Jiangxi Tanwan and the Registered Shareholders entered into an exclusive option agreement which was amended and restated by an exclusive option agreement dated April 18, 2023 (the “**Exclusive Option Agreement**”), pursuant to which ZX WFOE (or its designee) has an irrevocable and exclusive right to purchase from the Registered Shareholders all or any part of their equity interests in Jiangxi Tanwan, and an irrevocable and exclusive right to purchase from Jiangxi Tanwan all or any part of its assets at a minimal price required by the relevant government authorities or PRC laws. To the extent permitted by applicable PRC laws and regulations, the Registered Shareholders and/or Jiangxi Tanwan shall return the amount of purchase price they have received in full to ZX WFOE. At ZX WFOE's request, the Registered Shareholders and/or Jiangxi Tanwan will promptly and unconditionally transfer their respective equity interests and/or assets to ZX WFOE (or its designee) after ZX WFOE exercises its option.

The Exclusive Option Agreement will not be terminated until the purchased equity interests and/or the acquired assets have been transferred to ZX WFOE (or its designee) in accordance with the Exclusive Option Agreement. However, ZX WFOE has the right to unilaterally and unconditionally terminate the Exclusive Option Agreement at any time in written notice. Subject to applicable PRC laws, Jiangxi Tanwan and the Registered Shareholders do not have the right to unilaterally terminate this agreement.

3) *Equity Pledge Agreement*

On November 22, 2022, Jiangxi Tanwan, the Registered Shareholders and ZX WFOE entered into an equity pledge agreement which was amended and restated by an equity pledge agreement dated April 18, 2023 (the “**Equity Pledge Agreement**”), pursuant to which the Registered Shareholders agreed to pledge all of their equity interests (including the dividends arising from such equity interests) in Jiangxi Tanwan to ZX WFOE as collateral security for all of its payments due to ZX WFOE and to secure performance of all obligations of Jiangxi Tanwan and the Registered Shareholders under the Contractual Arrangements.

The Equity Pledge Agreement will not terminate until (i) all obligations of Jiangxi Tanwan and the Registered Shareholders under the Contractual Arrangements are satisfied in full; (ii) ZX WFOE (or its designee) exercises its exclusive options to purchase the entire equity interests of the Registered Shareholders and/or the entire assets of Jiangxi Tanwan pursuant to the terms of the Exclusive Option Agreement when it is permitted to do so under the applicable PRC laws and ZX WFOE (or its designee) may conduct the business of Jiangxi Tanwan; (iii) ZX WFOE exercises its unilateral and unconditional right of termination; or (iv) the agreement is required to be terminated in accordance with applicable PRC laws and regulations.

The pledges under the Equity Pledge Agreement has been duly registered with the relevant PRC authority pursuant to PRC laws and regulations.

4) *Power of Attorney*

On November 22, 2022, an irrevocable power of attorney was entered into by and among the Registered Shareholders, ZX WFOE and Jiangxi Tanwan which was amended and restated by a power of attorney dated April 18, 2023 (the “**Power of Attorney**”), pursuant to which the Registered Shareholders appointed ZX WFOE or other person designated by it (excluding any person who may give rise to conflicts of interest), as its exclusive agent and attorney to act on its behalf to exercise all of its rights as registered shareholders of Jiangxi Tanwan. As a result of the Power of Attorney, the Company, through ZX WFOE, is able to exercise management control over the activities that most significantly impact the economic performance of Jiangxi Tanwan.

The Power of Attorney shall automatically terminate when (i) Jiangxi Tanwan ceases to operate any business, becomes insolvency, bankruptcy or subject to liquidation or dissolution procedures; (ii) when it is legally permissible for ZX WFOE to hold equity interests directly or indirectly in Jiangxi Tanwan and ZX WFOE or its appointee(s) is registered to be the shareholder of Jiangxi Tanwan; (iii) the entire equity interests held by the Registered Shareholders in Jiangxi Tanwan or the entire assets held by Jiangxi Tanwan have been transferred to ZX WFOE or its appointee(s); (iv) the shareholder structure of the Registered Shareholders changes and the Power of Attorney is replaced by a new power of attorney; or (v) terminated in writing by ZX WFOE thirty (30) days in advance.

5) *Spouse undertakings*

On November 22, 2022, the spouse of each of the individual Registered Shareholders (where applicable) executed an irrevocable undertaking which was amended and restated by an undertaking dated April 18, 2023, pursuant to which he/she expressly acknowledged and undertook that, among others, (i) he/she will not, on the basis of joint marital property rights, make any hindrance to any disposition the respective Registered Shareholder make under the Contractual Arrangements and make any claim against such disposition (including, without limitation, bringing an action or arbitration in any court or arbitral tribunal of competent jurisdiction under any applicable law); and (ii) he/she will not take any measures that are in conflict with the Contractual Arrangements.



Directors' Report

The spouse of each of the individual Registered Shareholders (where applicable) further undertook that should he/she by any reason hold any equity interests in Jiangxi Tanwan, they will be bound by, as amended from time to time, the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement, the Equity Pledge Agreement and the Power of Attorney. He/she undertook to comply with the obligations of Jiangxi Tanwan's shareholders as set out in the aforementioned agreements, and for this purpose, to execute agreements on substantially similar terms as the aforementioned agreements upon ZX WFOE's request.

Principal business of PRC Operating Entities and the reasons for adopting the Contractual Agreements

The business of the Company's PRC Operating Entities involves the operation of online games (the "**Relevant Business**"), which falls within the scope of internet cultural business and value-added telecommunication services ("**VATS**") business, and is subject to foreign ownership restrictions. Hence, it is not viable for the Company to conduct the Relevant Business directly through equity ownership. In line with common practice and in order to conduct business in the PRC, the Company, through ZX WFOE, entered into the Contractual Arrangements with Jiangxi Tanwan and its Registered Shareholders, pursuant to which the Company has acquired effective control over the Relevant Business through the PRC Operating Entities, and become entitled to all the economic benefits derived from the PRC Operating Entities.

Governing Framework

On March 15, 2019, the 2nd meeting of the 13th Standing Committee of the National People's Congress approved the Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法》) (the "**FIL**") and it became effective on January 1, 2020. The FIL replaced the law on Sino-Foreign Equity Joint Ventures (《中外合資經營企業法》), the law on Sino-Foreign Contractual Joint Ventures (《中外合作經營企業法》) and the law on Foreign Capital Enterprises (《外資企業法》) to become the legal foundation for foreign investment in the PRC. The FIL stipulates three forms of foreign investment, but does not explicitly stipulate the contractual arrangements as a form of foreign investment.

The FIL specifically stipulates three specific forms of foreign investment, namely, (1) establishment of a foreign invested enterprise in the PRC by a foreign investor, either individually or collectively with any other investor; (2) obtaining shares, equity interests, assets, interests or any other similar rights or interests of an enterprise in the PRC by a foreign investor; and (3) investment in any new construction project in the PRC by a foreign investor, either individually or collectively with any other investor.

Conducting operations through contractual arrangements has been adopted by many PRC-based companies, including the Group. The Group uses the Contractual Arrangements to establish control of its PRC Operating Entities, by ZX WFOE, through which the Group operates its business in the PRC. The FIL stipulates that foreign investment includes "foreign investors invest through any other methods under laws, administrative regulations or provisions prescribed by the State Council". Therefore, there remains uncertainty regarding whether future laws, administrative regulations or provisions prescribed by the State Council may regard contractual arrangements as a form of foreign investment, whether the Contractual Arrangements will be deemed to be in violation of the foreign investment access requirements and how the above-mentioned Contractual Arrangements will be handled. Therefore, there is no guarantee that the Contractual Arrangements and the business of the PRC Operating Entities will not be materially and adversely affected in the future due to changes in PRC laws and regulations. The Company will disclose, as soon as possible, updates of changes to the FIL that will materially and adversely affect the Company as and when occur.

Risks relating to the Contractual Arrangements and Actions Taken to Reduce Risks

There are certain risks that are associated with the Contractual Arrangements, including:

- If the PRC government finds that the Contractual Arrangements that establish the structure for operating the Company's business in the PRC do not comply with applicable PRC laws and regulations, or if these laws or regulations or their interpretations change in the future, the Company could be subject to severe consequences, including the nullification of the Contractual Arrangements and being forced to relinquish its interests in those operations.
- The Company's current corporate structure and business operations may be affected by the Foreign Investment Law. If the Company's control over its PRC Operating Entities through Contractual Arrangements is deemed as foreign investment in the future, and any business of its PRC Operating Entities is restricted or prohibited from foreign investment, the Company may be deemed to be in violation of the Foreign Investment Law of the PRC, which may have a material and adverse effect on its business operations;
- The Contractual Arrangements may not be as effective in providing operational control as direct ownership;
- The Company may lose the ability to use and enjoy assets and licenses held by its PRC Operating Entities that are important to its business if it goes bankrupt or becomes subject to a dissolution or liquidation proceeding;
- The Registered Shareholders may have potential conflicts of interest with the Company, which may adversely affect its business;
- If the Company exercises the option to acquire equity ownership or assets of Jiangxi Tanwan, the ownership or asset transfer may subject it to certain limitations and substantial costs;
- The Contractual Arrangements may be subject to scrutiny by the PRC tax authorities. A finding that the Company owes additional taxes could negatively affect its financial condition.

For further details of these risks, please refer to the section headed "Risk Factors — Risks Relating to Our Contractual Arrangements" on pages 113 to 117 of the Prospectus.

The Group has adopted the following measures to ensure the effective operation with the implementation and compliance of the Contractual Arrangements, including but not limited to:

- (i) major issues arising from the implementation and compliance with the Contractual Arrangements or any regulatory inquiries from government authorities will be submitted to the Board, if necessary, for review and discussion;
- (ii) the Board will review overall performance of and compliance with the Contractual Arrangements at least once a year;
- (iii) the Company will disclose the overall performance and compliance with the Contractual Arrangements in its annual reports; and
- (iv) the Company will engage external legal advisors or other professional advisors, if necessary, to assist the Board to review the implementation of the Contractual Arrangements, review the legal compliance of the PRC Operating Entities to deal with specific issues or matters arising from the Contractual Arrangements.

Directors' Report

Listing Rules Implications and Waivers from the Stock Exchange

For the purpose of Chapter 14A of the Listing Rules, and in particular the definition of “connected person”, the PRC Operating Entities and each of its subsidiaries will be treated as the Company’s subsidiaries, but at the same time, the directors, chief executives or substantial shareholders of the PRC Operating Entities, its subsidiaries and their associates will be treated as connected persons of the Company (excluding for this purpose, the PRC Operating Entities), and transactions between these connected persons and the Group (including for this purpose, the PRC Operating Entities), other than those under the Contractual Arrangements, will be subject to requirements under Chapter 14A of the Listing Rules.

The Directors, including the independent non-executive Directors, are of the view that the Contractual Arrangements and the transactions contemplated thereunder are fundamental to the Group’s legal structure and business operation and it is justifiable and normal business practice for agreements under the Contractual Arrangements to have a term of longer than three years to ensure that (i) the financial and operational policies of the PRC Operating Entities can be effectively controlled by ZX WFOE; (ii) ZX WFOE can obtain the economic benefits derived from the PRC Operating Entities; and (iii) any possible leakage of assets and values of the PRC Operating Entities can be prevented on an uninterrupted basis. Such transactions have been entered into on normal commercial terms and are fair and reasonable, or advantageous, so far as the Group is concerned and in the interests of the Company and its Shareholders as a whole.

The Directors also believe that the Group’s structure, whereby the financial results of the PRC Operating Entities are consolidated into the Group’s financial statements as subsidiaries and the flow of economic benefits of their business to the Group, places the Group in a special position in relation to relevant rules concerning connected transactions under the Listing Rules. Accordingly, notwithstanding that the transactions contemplated under the Contractual Arrangements and any new transactions, contracts and agreements or renewal of existing agreements to be entered into between the PRC Operating Entities and any member of the Group (“**New Intergroup Agreements**”) technically constitute continuing connected transactions under Chapter 14A of the Listing Rules, the Directors consider that it is unduly burdensome and impracticable, and would add unnecessary administrative costs to the Company if the Contractual Arrangements are subject to the requirements set out under Chapter 14A of the Listing Rules.

In relation to the Contractual Arrangements, the Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver pursuant to Rule 14A.102 of the Listing Rules from strict compliance with (i) the announcement, circular and independent Shareholders’ approval requirements under Rule 14A.105 of the Listing Rules, (ii) the annual cap requirement for the transactions under the Contractual Arrangements under Rule 14A.53 of the Listing Rules, and (iii) the requirement of limiting the term of the Contractual Arrangements to three years or less under Rule 14A.52 of the Listing Rules, for so long as the Shares are listed on the Stock Exchange subject certain conditions, the details of which are set out in the section headed “Connected Transactions” in the Prospectus.

In addition, the Company has also applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver pursuant to Rule 14A.102 of the Listing Rules from strict compliance with (i) the announcement, circular and independent shareholders’ approval requirements under Rule 14A.105 of the Listing Rules in respect of the transactions contemplated under any New Intergroup Agreement, (ii) the requirement of setting an annual cap for the fees payable by/to any member of the Group to/from the PRC Operating Entities under any New Intergroup Agreement under Rule 14A.53 of the Listing Rules, and (iii) the requirement of limiting the term of any New Intergroup Agreement to three years or less under Rule 14A.52 of the Listing Rules, for so long as Shares are listed on the Stock Exchange subject however to the condition that the Contractual Arrangements subsist and that the PRC Operating Entities will continue to be treated as the Company’s subsidiaries, but at the same time, the directors, chief executives or substantial shareholders of the PRC Operating Entities and their associates will be treated as connected persons of the Company (excluding for this purpose, the PRC Operating Entities), and transactions between these connected persons and the Group (including for this purpose, the PRC Operating Entities), other than those under the Contractual Arrangements, will be subject to requirements under Chapter 14A of the Listing Rules.

Annual Review by the Independent Non-executive Directors and the Auditors

The independent non-executive Directors, upon review of the overall performance of and compliance with the Contractual Arrangements during the Relevant Period, confirmed that:

- (i) the transactions carried out during such year have been entered into in accordance with the relevant provisions of the Contractual Arrangements, and that the profit generated by the PRC Operating Entities has been substantially retained by ZX WFOE;
- (ii) no dividends or other distributions have been made by the PRC Operating Entities or any non-wholly owned subsidiary of the Group to the holders of its equity interests which are not otherwise subsequently assigned or transferred to the Group;
- (iii) any new contracts entered into, renewed or reproduced on normal commercial terms between the Group and the PRC Operating Entities during the relevant financial period are fair and reasonable, or advantageous and in the ordinary and usual course of business of the Group, so far as the Group is concerned and in the interests of the Shareholders as a whole;

The Company's auditor has carried out review procedures on the transactions carried out pursuant to the Contractual Arrangements during the Reporting Period. Below was set out in the letter from the Company's auditor containing their findings and conclusions of the review in respect of the continuing connected transactions and confirmed that:

- (i) the transactions carried out pursuant to the Contractual Arrangements have received the approval of the Directors and have been entered into in accordance with the relevant Contractual Arrangements;
- (ii) the transactions that involve the provision of goods and services by the Group were, in all material respects, in accordance with the pricing policies of the Group; and
- (iii) no dividends or other distributions have been made by the PRC Operating Entities or any non-wholly-owned subsidiary of the Group to the holders of its equity interests which are not otherwise subsequently assigned or transferred to the Group;

The PRC Operating Entities has undertaken that, for so long as the Shares are listed on the Stock Exchange, the PRC Operating Entities will provide the Group's management and the Company's auditor with full access to their relevant records, and (where applicable) relevant records of their subsidiaries, for the purpose of the Company's auditor's review of the connected transactions.

The extent to which the Contractual Arrangements relate to requirements other than the foreign ownership restriction

All of the Contractual Arrangements are subject to the restrictions set out on pages 113 to 117 of the Prospectus.

Revenue and Assets subject to the Contractual Arrangements

For the year ended December 31, 2025, revenue of the Group subject to the Contractual Arrangements amounted to approximately RMB3,311.3 million (2024: RMB4,721.6 million). As of December 31, 2025, total assets of the Group subject to the Contractual Arrangements amounted to approximately RMB5,680.2 million (2024: RMB4,538.1 million).

Directors' Report

Material Changes

Save as disclosed above, there were no other new contractual arrangements entered into, renewed and/or reproduced between the Group and the PRC Operating Entities during the Reporting Period. There was no material change in the Contractual Arrangements and/or the circumstances under which they were adopted during the Reporting Period.

During the Reporting Period, none of the Contractual Arrangements had been unwound on the basis that none of the restrictions that led to the adoption of the Contractual Arrangements had been removed. As of December 31, 2025, the Company had not encountered interference or encumbrance from any PRC governing bodies in operating its businesses through its Consolidated Affiliated Entities under the Contractual Arrangements.

RELATED PARTY TRANSACTIONS

Details of the related party transactions carried out in the normal course of business are set out in Note 35 to the consolidated financial statements.

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

On June 21, 2024, the Board has been granted a general mandate to repurchase Shares in the open market of not exceeding 10% of the total number of the issued Shares (excluding treasury shares) as of June 21, 2024, and on June 19, 2025, the Board has been granted general mandate to repurchase Shares in the open market of not exceeding 10% of the total number of the issued Shares (excluding treasury shares) as of June 19, 2025.

During the twelve months ended December 31, 2025, and up to the date of this annual report, the Company has repurchased 11,418,000 Shares on the Stock Exchange at an aggregate consideration of HK\$172.5 million (excluding brokerage and other fees), of which 11,418,000 Shares are held as treasury Shares. Subject to applicable Listing Rules, the Company may cancel such treasury Shares or make alternative plans depending on market conditions and capital management needs. Details of the Shares repurchased are summarized as follows:

Month of repurchase	Total number of Shares repurchased	Repurchase price per Share		Aggregate consideration (excluding brokerage and other fees) HK\$ million
		Highest HK\$	Lowest HK\$	
May 2025	1,041,400	10.20	9.65	10.2
June 2025	1,145,000	15.20	10.12	15.1
August 2025	664,200	15.40	14.80	10.0
September 2025	3,435,200	15.70	14.62	52.0
October 2025	2,171,000	15.08	12.78	30.4
November 2025	504,000	15.63	14.36	7.6
February 2026	2,457,200	20.84	16.89	47.2

Saved as disclosed above, neither the Company nor any member of the Group has purchased, sold or redeemed any of the listed securities of the Company (including the sale of treasury shares) for the year ended December 31, 2025, and up to the date of this annual report. As of December 31, 2025, the Company held 8,960,800 Shares of treasury Shares (2024: nil).

MATERIAL LEGAL PROCEEDINGS

Save as disclosed in the section headed “Management Discussion and Analysis — Contingent Liabilities” in this annual report, the Group was not involved in any material litigation or arbitration for the year ended December 31, 2025 and the Directors are also not aware of any material litigation or claims that are pending or threatened against the Group during the year ended December 31, 2025.

USE OF NET PROCEEDS FROM GLOBAL OFFERING

On September 28, 2023, the Shares of the Company were listed on the Main Board of the Stock Exchange. The net proceeds from the global offering, after deducting underwriting discounts and commissions, were approximately HK\$135.8 million, which will be used in accordance with the intended use of net proceeds as disclosed in the Prospectus by the Company.

As of December 31, 2025, approximately HK\$135.8 million of the net proceeds of the Global Offering had been utilized as follows:

	Allocation of net proceeds from the Global Offering in the proportion disclosed in the Prospectus		Proceeds from the Global Offering utilized as of January 1, 2025	Amounts not yet utilized as of January 1, 2025	Proceeds from the Global Offering utilized during the Reporting Period	Amounts not yet utilized as of December 31, 2025	Expected timeline of full utilization of the unutilized proceeds from the Global Offering
	HKD million	Percentage	HKD million	HKD million	HKD million	HKD million	
Enhancing and expanding online game publishing business and other marketing business and consumer product business	40.7	30.0%	12.2	28.5	10.2	18.3	By the end of 2027
Expanding and deepening the partnership with major market participant throughout the full lifecycle value chain	40.7	30.0%	12.1	28.6	10.2	18.4	By the end of 2027
Improving technology infrastructure and enhancing internal research and development capabilities	13.6	10.0%	4.1	9.5	3.3	6.2	By the end of 2027
Supporting overall strategies of expanding into select markets outside China and developing overseas operation	13.6	10.0%	4.1	9.5	3.1	6.4	By the end of 2027
Exploring potential strategic acquisition opportunities	13.6	10.0%	0.5	13.1	3.4	9.7	By the end of 2027
Working capital and general corporate purposes	13.6	10.0%	4.2	9.4	3.4	6.0	By the end of 2027
Total	135.8	100.0%	37.2	98.6	33.6	65.0	

Directors' Report

As of December 31, 2025, all the unutilized net proceeds were held by the Company in short-term deposits with licensed banks or authorized financial institutions in Hong Kong and the PRC.

The unutilized amount is expected to be used in accordance with the Company's plan as disclosed in the Prospectus. The Company will continue to evaluate market conditions and adopt a prudent and flexible approach for utilizing the net proceeds and will ensure the net proceeds will be used effectively and efficiently for long-term benefit and development of the Group. The expected timeline of full utilization set out above is based on the Directors' best estimation barring unforeseen circumstances, and is subject to change in light of future development of market conditions.

USE OF PROCEEDS FROM ISSUANCE OF CONVERTIBLE BONDS

On January 8, 2026, the Company completed the issuance of the HK\$468,000,000 zero coupon Convertible Bonds. The aggregate principal amount of the Convertible Bonds was HK\$468,000,000. The initial conversion price was HK\$23.50 per share (subject to adjustment), represents (i) a premium of approximately 38.24% to the closing price of the Shares of HK\$17.00 per Share as quoted on the Stock Exchange on the last trading date before the date of the subscription agreement; and (ii) a premium of approximately 41.67% to the average closing price of HK\$16.59 per Share for the last five consecutive trading days up to and including the last trading date before the date of the subscription agreement. Assuming full conversion of the Convertible Bonds at the initial conversion price of HK\$23.50 per Conversion Share, the Convertible Bonds will be convertible into 19,914,804 new Shares (with nominal value of US\$398.29608). Each ordinary share in the share capital of the Company has a nominal value of US\$0.00002. The net proceeds from the issuance of the Convertible Bonds are approximately HK\$458.6 million (after deducting issuance fees and expenses), which will be used in accordance with the intended use of the net proceeds as disclosed in the Company's announcement dated January 8, 2026.

As of the date of this report, the net proceeds from the issuance of Convertible Bonds of approximately HK\$458.6 million have been utilised as set out below:

	Allocation of the net proceeds		Utilized net proceeds from the Convertible Bonds as of January 1, 2026	Unutilized net proceeds as of January 1, 2026	Utilized net proceeds from the Convertible Bonds as of the date of this report	Unutilized net proceeds as of the date of this report	Expected timeline for utilizing the remaining net proceeds
	(In HKD Millions)	(%)	(In HKD Millions)	(In HKD Millions)	(In HKD Millions)	(In HKD Millions)	
AI-related business investment	229.3	50.0%	N/A	N/A	0	229.3	January 2027
Investment in listed securities	229.3	50.0%	N/A	N/A	0	229.3	January 2027
Total	458.6	100.0%	N/A	N/A	0	458.6	

As of the date of this report, all unutilised net proceeds were placed by the Company as short-term deposits with licensed banks and authorised financial institutions in Hong Kong and the PRC.

The unutilised amount is expected to be applied in accordance with the plan disclosed in the Company's announcement dated January 8, 2026. The Company will continue to assess market conditions and adopt a prudent and flexible approach in utilising the net proceeds, so as to ensure the effective and efficient use of the net proceeds with a view to safeguarding the long-term interests and development of the Group. In the absence of unforeseen circumstances, the expected timeline for full utilisation as set out above is determined based on the Directors' best estimate and is subject to adjustment depending on future market conditions.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as of December 31, 2025, the Company has maintained the prescribed percentage of public float (25%) as required under Rule 13.32B(1) the Listing Rules.

AUDITOR

The consolidated financial statements of the Group for the year ended December 31, 2025 have been audited by Ernst & Young. A resolution for the re-appointment of Ernst & Young as the auditor of the Company will be proposed at the AGM. There was no change in the Company's auditor in any of the preceding three years as of December 31, 2025.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

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

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this annual report, no important events affecting the Company occurred since December 31, 2025 and up to the date of this annual report.

CLOSURE OF REGISTER OF MEMBERS

The registers of members of the Company will be closed from Friday, June 12, 2026 to Wednesday, June 17, 2026, both days inclusive, in order to determine the eligibility of the Shareholders to attend and vote at AGM to be held on Wednesday, June 17, 2026, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, all properly completed transfers documents accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Thursday, June 11, 2026. The record date for determining Shareholders' eligibility to attend the vote at the AGM is Wednesday, June 17, 2026.

By order of the Board

Mr. WU Xubo

Chairman

Guangzhou, the PRC, March 27, 2026



Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

The Group is committed to implementing high standards of corporate governance to safeguard the interests of the Shareholders of the Company and enhance the corporate value as well as the responsibility commitments. The Company has adopted the Corporate Governance Code as its own code of corporate governance. Saved for the deviation as disclosed under the section headed “Compliance with the Corporate Governance Code”, the Company has complied with all applicable code provisions of the Corporate Governance Code during Reporting Period. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the Corporate Governance Code.

CULTURE

The Board believes that corporate culture underpins the long-term business, economic success and sustainable growth of the Group. The Company is committed to developing its specific corporate culture, which is built upon its mission, vision and values.

The Company continued to strengthen its cultural framework by focusing on the following:

- Mission: Create joy to end-users and empower our business partners in the digital era (在數位時代，為終端使用者創造快樂，為商業夥伴賦能前行)
- Values: Dedication, modesty, practicality, quality, inheritance (專注、謙和、務實、品質、傳承)

The Board sets and promotes corporate culture and expects and requires all employees to reinforce. The Company has established a comprehensive system for employee training and development, covering leadership, general competencies, professional competencies, corporate culture, employee rights and responsibilities and others so that all employees may better understand its culture, structure and policies, learn relevant laws and regulations, and raise their cooperative and innovative awareness. The Company not only focuses on the improvement of employees’ professional development but has made efforts to incentivize its employees to have a “sense of goals” and “sense of fulfillment”.

The Board considers that the corporate culture and the mission, values and strategy of the Group are aligned.

BOARD OF DIRECTORS

Responsibilities

The Board takes the responsibility to oversee all major matters of the Company, including the formulation and approval of all policy matters, overall strategies, internal control and risk management systems, and monitor the performance of the senior management. All of the Directors have full and timely access to all relevant information as well as the advice and services of company secretaries of the Company, with a view to ensuring that Board procedures and all applicable rules and regulations are followed. The Board has established Board committees and has delegated to these Board committees’ various responsibilities as set out in their respective terms of reference which are published on the websites of the Stock Exchange and the Company.

All Directors have carried out their duties in good faith and in compliance with the standards of applicable laws and regulations, and have acted objectively in the best interests of the Company and its Shareholders.

The Board also delegates the day-to-day management, administration and operation of the Company to the Company’s senior management team. The senior management team reports to the Board on a regular basis and communicates with the Board whenever required.

Board Composition

Executive Directors:

Mr. WU Xubo (*Chairman, Chief Executive Officer*)

Ms. WU Xuan (*Chief Operating Officer*)

Independent Non-Executive Directors:

Ms. SONG Siyun

Mr. QIN Yongde

Ms. ZHENG Yi

The biographical details of the Directors are set out in the section headed “Biographies of Directors and Senior Management” on pages 23 to 25 of this annual report.

None of the members of the Board is related (including financial, business, family or other material/relevant relations) to one another.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code as its code of conduct regarding directors’ dealing in the Company’s securities. Specific enquiries have been made to all the Directors and the Directors have confirmed that they have complied with the Model Code for the year ended December 31, 2025. The Company’s relevant employees, who are likely to be in possession of inside information of the Company, are also subject to the Model Code for securities transactions. No incident of non-compliance of the Model Code by the Company’s relevant employees was noted by the Company for the year ended December 31, 2025.

The Company has also established a policy on inside information to comply with its obligations under the SFO and the Listing Rules. In the case when the Company becomes aware of any restricted period for dealings in the Company’s securities, the Company will notify its Directors and relevant employees in advance.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining high standards of corporate governance to safeguard the interest of the shareholders of the Company (the “**Shareholders**”) and to enhance corporate value and accountability. The Company’s corporate governance practices are based on the principles and code provisions set forth in the Corporate Governance Code.

For the year ended December 31, 2025, the Company has complied with the code provisions set out in the Corporate Governance Code except for code provisions as explained below.

Pursuant to code provision C.2.1 of the Corporate Governance Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.



Corporate Governance Report

On June 30, 2025, Ms. LIANG Wenhong has tendered her resignation as the chief executive officer of the Company with effect from July 1, 2025 for her dedication to handling other business of the Group and Mr. WU Xubo (“**Mr. WU**”) has been re-appointed as the chief executive officer with effect from July 1, 2025. The roles of chairman of the Board and chief executive officer of the Company are currently performed by Mr. WU. In view of Mr. WU’s substantial contribution to the Group since its establishment and his extensive experience, the Company considers that having Mr. WU acting as both the chairman of the Board and chief executive officer will provide strong and consistent leadership to the Group and facilitate the efficient execution of the Group’s business strategies. The Directors believe that it is appropriate and beneficial to the Group’s business development and prospects that Mr. WU continues to act as both the chairman of the Board and chief executive officer of the Company, and therefore currently do not propose to separate the functions of chairman and chief executive officer.

The Board believes that this structure will not impair the balance of power and authority between the Board and the management of the Company, given that: (i) there are sufficient checks and balances in the Board, as a decision to be made by the Board requires approval by at least a majority of the Directors, and the Board comprises three independent non-executive Directors, which is in compliance with the requirement under the Listing Rules; (ii) Mr. WU and the other Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among other things, that he acts for the benefit and in the best interests of the Company and will make decisions for the Group accordingly; and (iii) the balance of power and authority is ensured by the operations of the Board which comprises experienced and high calibre individuals who meet regularly to discuss issues affecting the operations of the Company. Moreover, the overall strategic and other key business, financial, and operational policies of the Group are made collectively after thorough discussion at both Board and senior management levels. The Board will continue to review the effectiveness of the corporate governance structure of the Group in order to assess whether separation of the roles of chairman of the Board and chief executive officer is necessary.

In response to the amendments to the Corporate Governance Code effective July 1, 2025, the Board has approved changes to the terms of reference for the nomination committee. For details, see the Terms of Reference of the Nomination Committee of the Company dated December 31, 2025.

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

BOARD MEETINGS

Code provision C.5.1 of the part 2 of the Corporate Governance Code stipulates that board meetings should be held at least four times a year at approximately quarterly intervals with active participation of the majority of the Directors, either in person or through electronic means of communication.

The company held 27 board meetings for the year ended December 31, 2025. The Company will convene at least four regular meetings in each financial year at approximately quarterly intervals in accordance with code provision C.5.1 of the part 2 of the Corporate Governance Code going forward.

Attendance record of Directors

A summary of the attendance record of the Directors at Board meetings and committee meetings for the year ended December 31, 2025 is set out in the following table:

Name of Director	Board Meeting	Audit Committee	Remuneration Committee	Nomination Committee	General Meeting
	<i>(Number of attendance/number of meeting)</i>				
Executive Directors:					
Mr. WU Xubo	27/27	2/2	2/2	3/3	2/2
Ms. WU Xuan	27/27	2/2	2/2	3/3	2/2
Independent Non-executive Directors:					
Ms. SONG Siyun	27/27	2/2	2/2	3/3	2/2
Mr. QIN Yongde	27/27	2/2	2/2	3/3	2/2
Ms. ZHENG Yi	27/27	2/2	2/2	3/3	2/2

For the year ended December 31, 2025, the chairman of the Board also held two meeting with all independent non-executive Directors, without the presence of other Directors.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The independent non-executive Directors play a significant role in the Board as they bring an impartial view on the Group's strategies, performance and control, as well as ensure that the interests of all shareholders are considered. All independent non-executive Directors possess appropriate academic, professional qualifications or related financial management experience. None of the independent non-executive Directors held any other offices in the Company or any of its subsidiaries or is interested in any shares of the Company.

In order to ensure that independent views and input of the independent non-executive Directors are made available to the Board, the Nomination Committee and the Board are committed to assess the independent non-executive Directors' independence annually with regards to all relevant factors related to the independent non-executive Directors including the following:

- required character, integrity, expertise, experience and stability to fulfill their roles;
- time commitment and attention to the Company's affairs;
- firm commitment to their independent roles and to the Board;
- declaration of conflict of interest in their roles as independent non-executive Directors;
- no involvement in the daily management of the Company nor in any relationship or circumstances which would affect the exercise of their independent judgement; and
- the Chairman meets with the independent non-executive Directors regularly without the presence of the executive Directors.

The implementation and effectiveness of the above mechanism shall be reviewed by the Board on an annual basis.

Corporate Governance Report

The Company has received from each independent non-executive Director an annual confirmation of his independence, and the Company considers such Directors to be independent in accordance with the criteria set out in Rule 3.13 of the Listing Rules.

For the year ended December 31, 2025, the Board has at all times met the requirements of Rules 3.10(1) and (2) of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one independent non-executive director possessing appropriate professional qualifications, or accounting or related financial management expertise.

As at December 31, 2025, no independent non-executive Director had served more than nine years on the Board.

APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

The procedures and process of appointment, re-election and removal of Directors are laid down in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition, identifying and recommending individuals suitably qualified to become Board members, developing and formulating the relevant procedures for nomination and appointment of Directors, monitoring the appointment of Directors and succession planning for Directors and assessing the independence of independent non-executive Directors.

Code Provision B.2 of the part 2 of the Corporate Governance Code stipulates that all directors should be subject to re-election at regular intervals. Code Provision B.2.2 of the part 2 of Corporate Governance Code further states that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. Each of the Directors, including independent non-executive Directors, is appointed for a term of three years and is subject to retirement by rotation at least once every three years.

Pursuant to Article 109(a) of the Articles of Association, at each annual general meeting one-third of the Directors for the time being, or, if their number not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years.

Pursuant to Article 122 of the Articles of Association, the Board shall have power from time to time and at any time to appoint any person as Director either to fill a casual vacancy or as an additional Director. Any Director so appointed shall hold office only until the first annual general meeting of the Company after their appointment and be subject to re-election at such meeting.

Accordingly, WU Xuan and ZHENG Yi will retire from the Board by rotation at the AGM and, being eligible, offer themselves for re-election pursuant to the relevant provisions the Articles of Association.

INDUCTION AND CONTINUING DEVELOPMENT FOR DIRECTORS

Every newly appointed Director receives a formal, comprehensive and tailored induction on appointment, so as to ensure that he or she understands the business and operations of the Company and that he or she is fully aware of his or her responsibilities and obligations under the Listing Rules and other relevant regulatory requirements. The Company will continue to arrange regular seminars to provide the Directors with updates on the latest developments and changes in the Listing Rules and other relevant legal and regulatory requirements from time to time. The Directors are also provided with regular updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge his duty.

For the year ended December 31, 2025, the Directors participated in continuing professional development programs and read relevant training materials which were distributed to them. The trainings covered topics which include, among others, directors' duties, the disclosure obligations under laws of Hong Kong and other applicable rules and regulations, the requirements of connected transactions under the Listing Rules.

Corporate Governance Report

The table below sets out the records of each Director's participation in continuing professional development programs for the year ended December 31, 2025.

Name of Directors	Participate in the Training Course	Read the Latest Legal Regulations and Other Relevant Information	Board of Directors and Directors' Corporate Governance Guidelines Training (Hours)
Executive Directors			
Mr. WU Xubo	✓	✓	6
Ms. WU Xuan	✓	✓	6
Independent Non-Executive Directors			
Ms. SONG Siyun	✓	✓	7
Mr. QIN Yongde	✓	✓	7
Ms. ZHENG Yi	✓	✓	7

The Group continuously provides Directors with the latest information on the Listing Rules and other applicable regulatory requirements, ensuring that awareness of their responsibilities and obligations is enhanced and good corporate governance is maintained.

BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, the Remuneration Committee, and the Nomination Committee for overseeing particular aspects of the Company's affairs. Each of these committees is established with defined written terms of reference. The terms of reference of the Board committees are available for viewing on the websites of the Company and the Stock Exchange.

Audit Committee

The Company has established the Audit Committee and has formulated its written terms of reference, in compliance with Rule 3.21 of the Listing Rules and of the Corporate Governance Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system of the Group, to monitor the implementation of the Group's risk management policies across the Company on an ongoing basis to ensure that its internal control system is effective in identifying, managing and mitigating risks involved in its business operations, and to review and approve connected transactions and provide advice and comments to the Board. The Audit Committee consists of three independent non-executive Directors, namely Ms. ZHENG Yi (chairlady), Ms. SONG Siyun and Mr. QIN Yongde. Ms. ZHENG Yi is appropriately qualified as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The Company has also established an internal audit department which is responsible for reviewing the effectiveness of risk management policies and reporting to the Audit Committee on any issues identified. The internal audit department reports to the Audit Committee to ensure that any major issues identified thus are channeled to the committee on a timely basis. The Audit Committee then discusses the issues and reports to the Board if necessary.

During the Reporting Period, the Audit Committee reviewed the Group's audited consolidated results as of December 31, 2024 and unaudited interim results and financial statements for the six months ended June 30, 2025. The Audit Committee has considered and reviewed the accounting principles and practices adopted by the Company and the Group and discussed matters in relation to internal control, risk management and financial reporting with the management.

Corporate Governance Report

The Audit Committee has reviewed the audited consolidated results of the Group for the year ended December 31, 2025 and considers that the annual financial results for the year ended December 31, 2025 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made. In addition, the consolidated financial statements of the Group have been audited by the independent auditor of the Company, Ernst & Young. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members of the Company. The Audit Committee had met with the auditor of the Company in the absence of management of the Company twice in relation to the provision of audit service to the Company for the year ended December 31, 2025.

The company held two meetings of the Audit Committee for the year ended December 31, 2025.

Remuneration Committee

The Company has established the Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code. The primary duties of the Remuneration Committee are to review and make recommendations to our Board on the terms of remuneration packages, bonuses and other compensation payable to the Directors and other senior management. The Remuneration Committee consists of three Directors, namely, one executive Director, Mr. WU Xubo, and two independent non-executive Directors, Ms. SONG Siyun and Ms. ZHENG Yi. Ms. SONG Siyun is the chairlady of the Remuneration Committee.

During the Report Period, the Remuneration Committee has reviewed the policy and structure for the remuneration of the Directors and senior management of the Company for the year ended December 31, 2024 and remuneration proposal of the Directors and senior management of the Company for the year ending December 31, 2025. No material matters relating to the Pre-IPO Share Option Plan were reviewed and/or approved by the Remuneration Committee during the Reporting Period.

The company held two meetings of the Compensation Committee for the year ended December 31, 2025.

Details of the remuneration payable to each Director for the year ended December 31, 2025 are set out in Notes 8 and 35 to the consolidated financial statements on pages 113 to 115 and pages 149 to 150 of this annual report. For the year ended December 31, 2025, the remuneration payable to the senior management of the Company (comprising the executive Directors), including equity-settled share option expense, is shown in the following table by band:

Emolument bands (in HKD)	Number of individuals
HK\$500,001–HK\$1,000,000	1
HK\$4,000,001–HK\$4,500,000	2
HK\$10,500,001–HK\$11,000,000	1
Total	4

Nomination Committee

The Company has established the Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and the Corporate Governance Code. The primary duties of the Nomination Committee are to make recommendations to the Board on the appointment of Directors and management of Board succession. The Nomination Committee consists of three Directors, namely, one executive Director, Mr. WU Xubo, and two independent non-executive Directors, Ms. SONG Siyun and Ms. ZHENG Yi. Mr. WU Xubo is the chairman of the Nomination Committee.

During the Reporting Period, the Nomination Committee has (i) assessed the independence of independent non-executive Directors, recommended the re-appointment of the Directors standing for re-election at the AGM; (ii) selected and recommended to the Board well-qualified, willing and available prospective candidates (including the candidate of CEO) at an appropriate time after a potential vacancy arose in accordance with the nomination procedures; and (iii) reviewed the board diversity policy and nomination policy of the Company.

The Company held three meetings of the Nomination Committee for the year ended December 31, 2025.

The nomination policy (the “**Nomination Policy**”) was approved and adopted by the Board for evaluating and selecting any candidate for directorship. According to the Nomination Policy, the Nomination Committee would consider the following criteria, including, among other things, the business model and specific needs of the Company and the diversity in various aspects. The final appointment recommendation shall be made to the Board by the Nomination Committee based on merit and contribution that the selected candidates will bring to the Board after taking into account the relevant aspects mentioned above. The Nomination Committee shall identify, consider and recommend suitable individuals to the Board to consider and to make recommendations to the Shareholders for election of Directors at a general meeting either to fill a casual vacancy or as an addition to the Board.

DIVERSITY POLICY

Board Diversity

In order to enhance the effectiveness of the Board and to maintain the high standard of corporate governance, the Company has adopted the board diversity policy (the “**Board Diversity Policy**”) including the necessary balance of skills and experience appropriate for the requirements of the business development of the Company and for effective leadership. The Board Diversity Policy has been reviewed by the Board on an annual basis. A summary of the Board Diversity Policy is set out below:

Purpose

The Board Diversity Policy aims to set out the objective and approach to achieve and maintain diversity of the Board and enable the Board to comply with the Corporate Governance Code.

Board Diversity Policy Statement

The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level, including gender diversity, as an essential element in maintaining the Company’s competitive advantage and enhancing its ability to attract, retain and motivate employees from the widest possible pool of available talent. The ultimate decision of the appointment will be based on merit and the contribution that the selected candidates will bring to the Board. Board diversity has been considered from a number of aspects, including but not limited to gender, skills, age, professional experience, knowledge, cultural, education background, ethnicity and length of service.

Measurable Objectives

Regarding the gender diversity on the Board, the Company recognizes the particular importance of gender diversity. The Company has taken and will continue to take steps to promote and enhance gender diversity at all levels of the Company, including but without limitation at the Board and senior management levels. The Company will also continue to ensure that there is gender diversity when recruiting staff at mid to senior level so that the Company will have a pipeline of female management and potential successors to the Board in due time to ensure gender diversity of the Board. The Group will continue to emphasize on the training of female talents and providing long-term development opportunities for its female staff.

Corporate Governance Report

The Board has a balanced mix of knowledge and skills, including in management, marketing, business development, investment management and corporate finance. They obtained degrees in various majors including business administration, management, finance, laws and human resources management. Currently, the Board has three female Directors, Ms. WU Xuan, an executive Director, and Ms. SONG Siyun and Ms. ZHENG Yi, two independent non-executive Directors.

The Nomination Committee is of the view that the diversity level of the Board is appropriate in terms of knowledge, experience and skills of the Directors. After evaluating various factors, given that the Board has three female Directors, representing 60% of the Board, which is higher than the industry average, the Nomination Committee considered that the gender diversity of the Board is achieved and will maintain the gender diversity at such level. The Nomination Committee is and will continue to be responsible for ensuring the diversity of the Board, and will monitor the implementation of the Board Diversity Policy and review the Board Diversity Policy from time to time to ensure its continued effectiveness.

Workforce Diversity

The Company has established rules and procedures of recruitment, job promotion, compensation, benefits, rest periods, dismissal, etc., to protect the employees' rights. During recruitment and job promotion, the Company follows the principle of "selection on merit", taking into account the performance, work experience and capability of the applicant or employee. The Company advocates a diverse and equal workforce culture by ensuring that applicants and employees are not discriminated against on the basis of gender, age, race, family status or physical disability, aiming to provide its employees with a fair work environment. As of December 31, 2025, the Group had 1,239 employees of which 799 (64.5%) were male and 440 (35.5%) were female. The Board is satisfied with the gender diversity of the Company's employees and is not aware of any factors or circumstances that would make it more challenging or less relevant for the Group to achieve gender diversity among its employees.

CORPORATE GOVERNANCE FUNCTION

The Board is responsible for determining corporate governance policy of the Company performing the functions set out in code provisions A.2.1 of the Corporate Governance Code.

The Board reviewed the Company's corporate governance policies and practices, training and continuous professional development of the Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, and the Company's compliance with the Corporate Governance Code, the Company's code of conduct applicable to its employees and Directors, and disclosure in its Corporate Governance Report during the Reporting Period.

The Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company Secretary of the Company may from time to time and as the circumstances required, provide updated written training materials relating to the roles, functions and duties of a director of a company listed on the Stock Exchange.

BOARD INDEPENDENCE

The Board established mechanisms to ensure independent views and input are available to the Board, including, among others, (i) independent non-executive Directors are encouraged to actively participate in the Board meetings; (ii) the number of independent non-executive Directors must comply with the requirement under the Listing Rules; (iii) sufficient resources shall be provided to the Board if it thinks necessary to seek independent professional advice from independent third parties; and (iv) the independent non-executive Directors shall devote sufficient time to discharge their duties as a Director.

The Board will review the implementation and effectiveness of such mechanisms on an annual basis, which have been reviewed and considered effective by the Board for the year ended December 31, 2025.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its code of conduct regarding directors' dealing in the Company's securities. Specific enquiries have been made to all the Directors and the Directors have confirmed that they have complied with the Model Code during the Reporting Period. The Company's relevant employees, who are likely to be in possession of inside information of the Company, have also been subject to the Model Code for securities transactions. No incident of non-compliance of the Model Code by the Company's relevant employees was noted by the Company during the Reporting Period.

The Company has also established a policy on inside information to comply with its obligations under the Securities and Futures Ordinance and the Listing Rules. In case when the Company is aware of any restricted period for dealings in the Company's securities, the Company will notify its Directors and relevant employees in advance.

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended December 31, 2025. The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, inside information announcements and other financial disclosures required by the Listing Rules and other regulatory requirements. The senior management of the Company has provided such explanation and information to the Board as necessary to enable the Board to carry out an informed assessment of the financial information and position of the Company in order to put forward such information to the Board for approval. The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

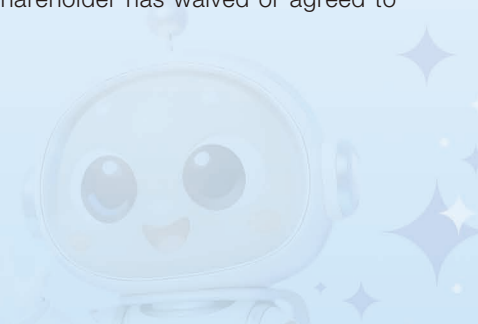
The statement by the independent auditor of the Company, Ernst & Young, about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 67 to 70 of this annual report.

DIVIDEND POLICY

The Company is a holding company incorporated under the laws of the Cayman Islands. As a result, the payment and amount of any future dividends will also depend on the availability of dividends received from its subsidiaries. PRC laws require that dividends shall be paid only out of the profit for the year/period determined according to PRC accounting principles, which differ in many aspects from the generally accepted accounting principles in other jurisdictions, including HKFRSs. PRC laws also require foreign-invested enterprises to set aside at least 10% of its after-tax profits, if any, to fund its statutory reserves, which are not available for distribution as cash dividends.

Any dividends declared in the past is not indicative of the Company's future dividend policy. The amount of dividend actually distributed to the Shareholders will depend upon its earnings and financial condition, operating requirements, capital requirements and any other conditions that its Directors may deem relevant and will be subject to approval of the shareholders. The Board has the absolute discretion to recommend any dividend. The Company does not have any pre-determined dividend pay-out ratio and dividend policy.

Pursuant to provisions of the Pre-IPO Share Option Plan, no dividends shall be payable in relation to the Shares that are the subject of options that have not been exercised, and thus no dividend will be payable to Shares held by ESOP BVIs. Save as disclosed above, the Board is not aware of any other arrangement under which a Shareholder has waived or agreed to waive any dividend.



Corporate Governance Report

WHISTLEBLOWING POLICY

The Board adopted a whistleblowing policy (the “**Whistleblowing Policy**”), the purpose of which is to (i) provide an avenue for the Group’s employees, clients, suppliers and other stakeholders to voice concerns, in confidence and anonymity, with the Audit Committee about possible improprieties in any matter relating to the Group, particularly in relation to fraud, controls or ethics, without fear of reprisals when whistleblowing in good faith; and (ii) ensure that robust arrangements are in place to facilitate independent investigation of the reported concern and for the appropriate follow up actions to be taken.

The nature, status and the results of the complaints received under the Whistleblowing Policy are reported to the Audit Committee. No incident of fraud or misconduct that have material effect on the Group’s financial statements or overall operations for the year ended December 31, 2025 has been discovered. The Whistleblowing Policy is reviewed annually by the Audit Committee to ensure its effectiveness.

ANTI-CORRUPTION COMPLIANCE POLICY

The Board adopted an anti-corruption compliance policy (the “**Anti-corruption Policy**”). The Group is committed to achieving the highest standards of integrity and ethical behavior in conducting business. The Anti-corruption Policy forms an integral part of the Group’s corporate governance framework. The Anti-corruption Policy sets out the specific behavioral guidelines that the Group and its officers, directors, employees, shareholders, and agents must follow to combat corruption. It demonstrates the Group’s commitment to the practice of ethical business conduct and the compliance of the anti-corruption laws and regulations that apply to its local and foreign operations. In line with this commitment and to ensure transparency in the Group’s practices, this Anti-corruption Policy has been prepared as a guide to all Group employees and third parties dealing with the Group. The Anti-corruption Policy is reviewed and updated periodically to align with the applicable laws and regulations as well as the industry best practice.

AUDITOR’S RESPONSIBILITY AND REMUNERATION

The Company appointed Ernst & Young as the external auditor for the year ended December 31, 2025. A statement by Ernst & Young about their reporting responsibilities for the financial statements is included in the Independent Auditor’s Report on pages 67 to 70.

Details of the fees paid/payable in respect of the audit and non-audit services provided by Ernst & Young for the year ended December 31, 2025 are set out in the table below:

Services rendered for the Company	Fees paid and payable (RMB’000)
Auditor’s remuneration	
Audit services	4,000
Interim review services	2,500
Tax Services	53.5
Total	6,553.5

RISK MANAGEMENT AND INTERNAL CONTROL

The Company recognizes that adequate and effective risk management and internal control are critical to achieve the Company’s strategic objectives. Risk management and internal control systems shall ensure the effective business operation, accuracy and reliability of financial reporting, and due compliance with applicable laws, regulations and policies. As such, the Board acknowledges that it is responsible for ensuring that the Company has established and maintained sound risk management and internal control systems within the Group and reviewing their effectiveness on an ongoing basis. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement, loss or fraud.

Risk Management and Internal Control Systems

The Board (through the Audit Committee) is responsible for establishing the Company's risk management and internal control systems. For the purposes of risk management and internal control, the Company has adopted various measures and procedures regarding business operations.

The Company has formulated risk management and internal control management policies to construct a fundamental environment for risk management and internal control. The Company provides periodic training on these measures and procedures to employees and regularly monitors their implementation in business operation. Business departments actively cooperate with internal control and internal audit functions, report to the Company's internal auditor department on any important business development and how policies and strategies established by the Company are implemented within the department, and timely identify, assess and manage major risks. Risk management report, covering identified risks, evaluation and proposed responding measures, is submitted to the senior management or the Board periodically to monitor the implementation of the risk management policies across the Group on an ongoing basis to ensure that the internal control system is effective in identifying, managing and mitigating risks involved in Company's operations.

In addition, the Company has set up an internal control framework, which relates to business processes such as procurement, human resources and payroll, game development, game marketing and sales tax, capital, information security and intellectual property rights, financial reporting and disclosure. The risk bank has also been put in place and risk assessment is conducted on a regular basis to ensure the effectiveness of risk management and internal control.

Significant Risks of the Company

Below is a summary of the significant risks of the Company along with the applicable response strategies. The summary is not intended to be exhaustive as the Company's risk profile may change.

Financial reporting risk management

The Company has implemented a set of accounting policies in connection with its financial reporting risk management, such as financial reporting management policies, budget management policies, financial statement preparation policies and finance department and staff management policies. The Company has various procedures in place to implement accounting policies and its finance department reviews the management accounts based on such procedures. The Company also provides regular training to finance department staff to ensure that they understand its financial management and accounting policies and implement them in its daily operations.

Investment policies and risk management

The Group has also established a set of investment policies and internal control measures to achieve reasonable returns on its investments while mitigating its exposure to investment risks.

Information system risk management

The Group has implemented relevant internal procedures and controls to ensure that its data is protected, and that leakage and loss of such data is avoided. During the Reporting Period, the Group did not experience any material information leakage or loss of user data.

Internal control risk management

The Group has designed and adopted internal control mechanisms and strict internal procedures to ensure the compliance of its business operations with the relevant rules and regulations.



Corporate Governance Report

Inside information risk management

The Group attaches utmost importance to the proper handling and dissemination of inside information. Internal policies are put in place to ensure that inside information is adequately controlled. To ensure the confidentiality and the timely disclosure of inside information, all employees are provided with learning materials and guidelines regarding the handling and dissemination of inside information on a yearly basis. Information technology system controls are implemented to ensure the access to sensitive data is restricted to authorized personnel only.

Intellectual property infringement risk management

The Group has formulated policies to regulate the management of intellectual property rights such as computer software copyrights and trademarks. The in-house legal department and the administration department are jointly responsible for intellectual property-related management and compliance.

Human resources risk management

The Group provides regular and specialized training tailored to (i) the needs of its employees in different departments, and (ii) its anti-bribery and anti-corruption policy. Through these training sessions, the Group ensures that its staff's skill sets and knowledge level of the Company's anti-bribery and anti-corruption policy remain up-to-date, enabling them to better comply with applicable laws and regulations in the course of exploring business.

REGULATORY COMPLIANCE AND LEGAL RISK MANAGEMENT

In order to manage its compliance and legal risk exposures effectively, the Company has designed and adopted strict internal procedures to ensure the compliance of its business operations with the relevant rules and regulations.

The Company continually improves its internal policies according to changes in laws, regulations and industry standards, and update internal templates for legal documents. The Company also undertakes compliance management over various aspects of its operations and employee activities, and has established an accountability system in respect of employees' violations of laws, regulations and internal policies.

Effectiveness of Risk Management and Internal Control

The Company has established its internal audit function, which is responsible for independently reviewing the adequacy and effectiveness of the Company's risk management and internal control system and reporting the results to the Audit Committee. The Audit Committee is responsible for conducting a review of the effectiveness of the Group's risk management and internal control systems, including all material controls (such as financial, operational and compliance controls), at least once every year.

The Audit Committee's process of reviewing the effectiveness of the risk management and internal control systems and resolving material internal control defects comprises of, among other things: (i) meetings with the business department, the internal audit and control department, legal team, and the external auditor; (ii) reviewing the relevant work reports and information of key performance indicators; (iii) the senior management's self-assessment on internal control and (iv) discussing the significant risks with the senior management.

The Board has conducted a review of the adequacy and effectiveness of the Group's risk management and internal control systems and considers that the Group's risk management and internal control systems are adequate and effective for the year ended December 31, 2025.

COMPANY SECRETARY

Ms. TSANG Wing Man, a manager of SWCS Corporate Services Group (Hong Kong) Limited (a company secretarial service provider), has been appointed as the Company Secretary. She is responsible for advising the Board on corporate governance matters and ensuring that Board policy and procedures, as well as the applicable laws, rules and regulations are followed. Her primary contact person at the Company is Mr. WU Xubo, the executive Director of the Company.

For the year ended December 31, 2025, Ms. TSANG Wing Man complied with Rule 3.29 of the Listing Rules by taking no less than 15 hours of the relevant professional training during the year.

SHAREHOLDERS' RIGHTS

Convening of Extraordinary General Meetings

Pursuant to Article 71 of the Articles of Association, the Board may, whenever it thinks fit, convene an extraordinary general meeting. General meetings shall also be convened on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings, on a one vote per Share basis in the share capital of the Company. Such requisition shall be made in writing to the Board or the Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Putting Forward Proposals at General Meetings

There are no provisions under the Articles of Association regarding procedures for Shareholders to put forward proposals at the general meetings other than a proposal of a person for election as Director. However, Shareholders who wish to put forward proposals at general meetings may achieve so by means of convening an extraordinary general meeting following the procedures set out in paragraph above.

Putting Forward Enquiries to the Board and Contact Details

Shareholders may at any time send their enquiries and concerns to the Board in writing through the Company Secretary whose contact details are as follows:

Address: 40/F, Dah Sing Financial Centre
248 Queen's Road East
Wanchai, Hong Kong
(For the attention of the Board of Directors/Company Secretary)

Email: IR@tanwan.com

For the avoidance of doubt, Shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.



Corporate Governance Report

INVESTORS RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavors to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings of the Company to allow Shareholders to speak and as a platform for communication and interaction; the annual and interim reports, notices, announcements and circulars and the Company's website at (<https://www.tanwan.cn/>) and the website of the Stock Exchange. The Board has reviewed the implementation and effectiveness of the shareholder communication policy and confirmed its effectiveness during the Reporting Period.

CHANGES IN CONSTITUTIONAL DOCUMENTS

The fifth and sixth amended and restated memorandum and articles of association have been separately approved by shareholders of the Company by way of special resolutions on the AGM on June 19, 2025 and on the EGM on August 28, 2025. The changes were to further optimize the implementation and the expansion of paperless listing regime and electronic dissemination of corporate communications as well as the treasury shares regime, and to change the company name, respectively.

Save as disclosed above, there is no other change in constitutional documents of the Company for the year ended December 31, 2025 and up to the date of this report.





Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

安永會計師事務所
香港鰂魚涌英皇道979號
太古坊一座27樓

Tel 電話: +852 2846 9888
Fax 傳真: +852 2868 4432
ey.com

Independent auditor's report

To the shareholders of Tanwan Inc.

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Tanwan Inc. (the **"Company"**) and its subsidiaries (the **"Group"**) set out on pages 71 to 161, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (**"HKICPA"**) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (**"HKSAs"**) issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the **"Code"**), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Independent Auditor's Report

KEY AUDIT MATTERS *(Continued)*

Key audit matter

Recognition of revenue from game marketing and operation

The Group markets and operates online games which are either authorised by third-party game developers or are self-owned by the Group, under the free-to-play basis. During the year ended 31 December 2025, the Group's revenue from game marketing and operation amounted to RMB4,051,517,000, representing 97.4% of the Group's total revenues.

Proceeds from selling virtual items in the games are shared among the game developers, the payment channels, collaborated distribution platforms, and the Group. The Group evaluates the agreements in order to determine whether the Group acts as the principal or an agent with each party respectively, based on which to further determine if relevant revenues should be reported gross or net of the amount of the proceeds shared with the other parties. The evaluation involves significant judgements.

In addition, for self-owned games, revenue is recognised rateable over the estimated average paying period of the paying end-users ("**Player Relation Period**"). The estimation of the Player Relation Period involves the analysis of all available game player behaviour information and any changes may result in revenues being recognised on a different basis.

Due to the significant judgement and estimation involved in the revenue recognition, as well as the high volume of transactions and complex game player behaviour data, we identified the recognition of revenue from game marketing and operation as a key audit matter.

Relevant disclosures are included in note 2.4 "Material accounting policies", note 3 "Significant accounting judgements and estimates", note 4 "Operating segment information" and note 5 "Revenue", to the consolidated financial statements.

How our audit addressed the key audit matter

Our audit procedures to address this matter including the following:

- Obtaining agreements with various parties and checked the rights and obligations of each party, revenue sharing arrangement, etc. to assess management's judgement on principal vs agent;
- Obtaining an understanding of the process of revenue recognition from game marketing and operation and the related internal controls;
- Testing the key controls of the revenue recognition process of game marketing and operation, including relevant IT application controls, with the assistance of our internal IT specialists;
- Verifying the transaction data extracted from the Group's IT system against the statements from the third-party payment channels or collaborated distribution platforms on a sampling basis, with the involvement of our internal IT specialists;
- Obtaining confirmations from game developers, collaborated distribution platforms, on sampling basis, and reviewing the reconciliations if any material differences noted;
- Obtaining statements from game developers for the year, performing re-calculation of revenue shared by the Group and amounts payable to the game developers, and checking the amounts against the Group's accounting records;
- With the assistance of our internal IT specialists, conducting game player behavior data analyses for the selected games;
- With the assistance of our internal IT specialists, performing re-calculation of the Player Relation Period based on the players behaviour patterns of the self-owned games; and
- Assessing the adequacy of the disclosures included in the notes to the consolidated financial statements.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditor's Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is TJEN Michael (practising certificate number: P06794).

Ernst & Young

Certified Public Accountants

Hong Kong

27 March 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
REVENUE	5	4,158,199	5,580,112
Cost of sales		(1,784,343)	(1,555,769)
Gross profit		2,373,856	4,024,343
Other income and gains	5	1,882,323	162,926
Selling and distribution expenses		(1,875,940)	(3,516,685)
Administrative expenses		(170,372)	(192,111)
Research and development costs		(98,312)	(127,733)
Impairment losses on financial assets, net		(124,523)	(135,303)
Other expenses		(44,366)	(107,352)
Finance costs	7	(14,115)	(42,468)
Share of profits and losses of:			
Joint ventures		25,905	10,911
Associates		14,481	21,887
PROFIT BEFORE TAX	6	1,968,937	98,415
Income tax expense	10	(408,702)	(54,396)
PROFIT FOR THE YEAR		1,560,235	44,019
OTHER COMPREHENSIVE INCOME/(LOSS)			
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent years:			
Share of other comprehensive income/(loss) of associate		397,906	(1,254)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX		397,906	(1,254)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,958,141	42,765
Profit/(Loss) attributable to:			
Owners of the parent		1,486,509	(3,624)
Non-controlling interests		73,726	47,643
		1,560,235	44,019
Total comprehensive income/(loss) attributable to:			
Owners of the parent		1,884,415	(4,878)
Non-controlling interests		73,726	47,643
		1,958,141	42,765
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic (RMB)	12	2.83	(—*)
Diluted (RMB)	12	2.79	(—*)

* Less than 0.01

Consolidated Statement of Financial Position

31 December 2025

	Notes	As at 31 December 2025 RMB'000	As at 31 December 2024 RMB'000
NON-CURRENT ASSETS			
Property and equipment	13	246,174	80,016
Investment properties	14	80,010	74,055
Right-of-use assets	15	210,118	221,205
Other intangible assets	17	18,045	11,119
Investments in joint ventures	18	318,146	274,247
Investments in associates	19	579,318	175,293
Deferred tax assets	28	—	117,523
Prepayments, other receivables and other assets	21	8,471	8,172
Pledged deposits	23	636,965	560,770
Time deposits		82,831	77,022
Total non-current assets		2,180,078	1,599,422
CURRENT ASSETS			
Inventories		713	2,858
Trade receivables	20	221,278	237,194
Prepayments, other receivables and other assets	21	928,171	776,501
Amounts due from related parties	35	113,126	38,243
Financial assets at fair value through profit or loss	22	2,892,876	430,534
Pledged deposits	23	427,581	1,615,554
Restricted cash	23	605	33,983
Time deposits	23	242,003	314,422
Cash and cash equivalents	23	375,952	514,963
Total current assets		5,202,305	3,964,252
CURRENT LIABILITIES			
Trade payables	24	451,209	475,530
Bills payable	25	1,303,815	1,530,095
Other payables and accruals	26	484,530	419,766
Interest-bearing bank borrowings	27	34,369	199,568
Lease liabilities	15	15,378	4,736
Tax payable		485,663	471,448
Total current liabilities		2,774,964	3,101,143
NET CURRENT ASSETS/(LIABILITIES)		2,427,341	863,109
TOTAL ASSETS LESS CURRENT LIABILITIES		4,607,419	2,462,531

Consolidated Statement of Financial Position

31 December 2025

	Notes	As at 31 December 2025 RMB'000	As at 31 December 2024 RMB'000
NON-CURRENT LIABILITIES			
Lease liabilities	15	52,796	39,466
Deferred tax liability	28	269,398	—
Total non-current liabilities		322,194	39,466
Net assets		4,285,225	2,423,065
EQUITY			
Equity attributable to owners of the parent			
Share capital	29	77	77
Treasury shares	29	(114,804)	(1)
Reserves	31	4,300,593	2,398,458
		4,185,866	2,398,534
Non-controlling interests		99,359	24,531
Total equity		4,285,225	2,423,065

Mr. WU Xubo
Director

Ms. WU Xuan
Director

Consolidated Statement of Changes In Equity

Year ended 31 December 2025

	Attributable to owners of the parent									
	Share capital RMB'000 (Note 29)	Treasury shares RMB'000 (Note 29)	Capital reserve RMB'000 (Note 31)	Statutory surplus reserve RMB'000 (Note 31)	Share incentive reserve RMB'000 (Note 31)	Fair value reserve of financial assets at fair value through other comprehensive income RMB'000 (Note 31)	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2024	77	(3)	217,502	5,000	2,363,777	(60,950)	(238,879)	2,286,524	(10,739)	2,275,785
Profit for the year	–	–	–	–	–	–	(3,624)	(3,624)	47,643	44,019
Other comprehensive loss for the year	–	–	–	–	–	–	–	–	–	–
Proportionate interest in the investee arising from changes in the investee's other comprehensive income, net of tax	–	–	–	–	–	(1,254)	–	(1,254)	–	(1,254)
Total comprehensive income for the year	–	–	–	–	–	(1,254)	(3,624)	(4,878)	47,643	42,765
Issue of ordinary shares	–	–	–	–	–	–	–	–	–	–
Share issue expenses	–	–	–	–	–	–	–	–	–	–
Dividends paid to non-controlling shareholders	–	–	–	–	–	–	–	–	(12,373)	(12,373)
Special dividends declared	–	–	–	–	–	–	–	–	–	–
Shares issued upon exercise of share options	–	2	–	–	–	–	–	2	–	2
Equity-settled share option arrangements	–	–	–	–	116,886	–	–	116,886	–	116,886
Changes in non-controlling interests without loss of control	–	–	–	–	–	–	–	–	–	–
Capital injection in non-wholly owned subsidiaries	–	–	–	–	–	–	–	–	–	–
At 31 December 2024	77	(1)	217,502*	5,000*	2,480,663*	(62,204)*	(242,503)*	2,398,534	24,531	2,423,065

	Attributable to owners of the parent									
	Share capital RMB'000 (Note 29)	Treasury shares RMB'000 (Note 29)	Capital reserve RMB'000 (Note 31)	Statutory surplus reserve RMB'000 (Note 31)	Share incentive reserve RMB'000 (Note 31)	Fair value reserve of financial assets at fair value through other comprehensive income RMB'000 (Note 31)	Accumulated Profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2025	77	(1)	217,502	5,000	2,480,663	(62,204)	(242,503)	2,398,534	24,531	2,423,065
Profit for the year	–	–	–	–	–	–	1,486,509	1,486,509	73,726	1,560,235
Other comprehensive loss for the year	–	–	–	–	–	–	–	–	–	–
Proportionate interest in the investee arising from changes in the investee's other comprehensive income, net of tax	–	–	–	–	–	397,906	–	397,906	–	397,906
Total comprehensive income for the year	–	–	–	–	–	397,906	1,486,509	1,884,415	73,726	1,958,141
Issue of ordinary shares	–	–	–	–	–	–	–	–	–	–
Shares repurchased	–	(114,804)	–	–	–	–	–	(114,804)	–	(114,804)
Dividends paid to non-controlling shareholders	–	–	–	–	–	–	–	–	–	–
Special dividends declared	–	–	–	–	–	–	–	–	–	–
Shares issued upon exercise of share options	–	1	–	–	–	–	–	1	–	1
Equity-settled share option arrangements	–	–	–	–	18,634	–	–	18,634	–	18,634
Capital injection in non-wholly owned subsidiaries	–	–	(914)	–	–	–	–	(914)	914	–
Changes in non-controlling interests without loss of control	–	–	–	–	–	–	–	–	188	188
At 31 December 2025	77	(114,804)	216,588*	5,000*	2,499,297*	335,702*	1,244,006*	4,185,866	99,359	4,285,225

* These reserve accounts comprise the consolidated reserves of RMB4,300,593,000 (2024: RMB2,398,458,000) in the consolidated statement of financial position.

Consolidated Statement of Cash Flows

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax:		1,968,937	98,415
Adjustments for:			
Finance costs	7	14,115	42,468
Foreign exchange loss/(gain), net	6	7,730	(2,358)
Bank interest income	5	(68,628)	(115,841)
Share of profits and losses of joint ventures and associates		(40,386)	(32,798)
Impairment of an investment in joint ventures and associates		—	972
Loss on disposal of a subsidiary		1,295	—
Loss/(gain) on disposal of financial assets at fair value through profit or loss	6	14,158	(5,165)
Fair value (gain)/loss on financial assets at fair value through profit or loss	6	(1,803,077)	13,263
Equity-settled share-based expenses	6	18,634	116,886
Impairment of trade receivables, net	6	860	(827)
Impairment on financial assets included in other receivables	6	123,663	136,105
Loss on disposal of items of property and equipment	6	186	19,615
Loss/(gain) on lease modification	6	1,238	(28,351)
Depreciation of property and equipment	6	19,066	15,556
Depreciation of investment properties	6	2,911	2,331
Depreciation of right-of-use assets	6	39,836	43,047
Impairment of investment properties	6	13,240	5,155
Amortisation of other intangible assets	6	3,978	5,154
Impairment of property and equipment	6	—	32,798
Impairment of goodwill	6	—	27,917
Decrease in inventories		2,145	47
Decrease in trade and bills receivables		15,056	74,329
Increase in prepayments, other receivables and other assets		(275,722)	(251,505)
Decrease/(increase) in deposits		66,610	(384,345)
Increase in amounts due from related parties		(74,883)	(14,262)
(Decrease)/increase in trade payables		(24,321)	9,461
Decrease in bills payable		(226,280)	(1,276,456)
Increase/(decrease) in other payables and accruals		59,966	(458,594)
Decrease/(increase) in restricted cash		33,378	(29,923)
Cash from/(used in) operations		106,295	(1,956,906)
Interest received		1,560	2,378
Interest paid		(10,558)	(34,287)
Income tax paid		(7,566)	(10,816)
Net cash flows from/(used in) operating activities		122,859	(1,999,631)

Consolidated Statement of Cash Flows

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		67,068	113,463
Dividends received from joint venture and associate		11,168	44,188
Purchases of items of property and equipment		(207,568)	(46,218)
Proceeds from disposal of items of property and equipment		52	261
Additions to other intangible assets		(10,904)	(1,020)
Purchase of an investment in joint ventures		(20,800)	(10,500)
Purchases of investments in associates		—	(1,000)
Purchase of financial assets at fair value through profit or loss		(839,630)	(15,997)
Disposal of financial assets at fair value through profit or loss		166,207	5,165
Placement of pledged time deposits		(429,690)	(784,352)
Withdrawal of pledged time deposits		1,541,468	2,791,441
Net cash flows from investing activities		277,371	2,095,431
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank loans		39,243	199,568
Repayment of bank loans		(204,531)	(213,336)
Interest paid		(1,266)	(2,043)
Principal portion of lease payments	15	(5,798)	(33,120)
Interest portion of lease payments	15	(2,202)	(6,545)
Payments for repurchases of shares		(114,804)	—
Dividends paid to non-controlling shareholders		—	(12,373)
Decrease in restricted cash		—	871
Decrease/(increase) in rental deposit		90	(745)
Net cash flows used in financing activities		(289,268)	(67,723)
NET INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		134,756	28,077
Effects of exchange rate changes on cash and cash equivalents		514,963	486,886
		(4,255)	—
CASH AND CASH EQUIVALENTS AT END OF YEAR			
		375,952	514,963
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Unrestricted cash and bank balances		375,952	514,963
Time deposits with original maturity of less than three months		—	—
Cash and cash equivalents as stated in the consolidated statement of financial position and the consolidated statement of cash flows	23	375,952	514,963

Notes to Consolidated Financial Information

31 December 2025

1. CORPORATE AND GROUP INFORMATION

The Company was incorporated in the Cayman Islands on 18 March 2021 as an exempted company with limited liability under the Companies Law, Chapter 22 of the Cayman Islands. The registered address of the office of the Company is 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands.

During the year, the Group was principally engaged in providing product marketing and operation services for online games in the People's Republic of China (hereafter, the "PRC").

Information about subsidiaries

Particulars of the Company's principal subsidiaries as of 31 December 2025 are as follows:

Name	Date and place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Jiangxi Tanwan Information Technology Co., Ltd. ("江西貪玩信息技術有限公司") ("Jiangxi Tanwan")	21 May 2015 PRC/Chinese mainland	RMB10,000,000	—	100	Game marketing and operation
Hong Kong Tanwan Information Technology Co., Limited. ("香港貪玩信息技術有限公司") ("HK Tanwan")	24 May 2016 Hong Kong	HKD1,000,000	100	—	Game marketing and operation
Poyang Weiru Information Technology Co., Ltd. ("鄱陽縣偉如信息技術有限公司") ("Poyang Weiru")	13 March 2017 PRC/Chinese mainland	RMB1,000,000	—	70	Game marketing and operation
Guangzhou Tanwan Information Technology Co., Ltd. ("廣州貪玩信息技術有限公司") ("Guangzhou Tanwan")	28 July 2017 PRC/Chinese mainland	RMB1,000,000	—	99	Game marketing and operation
Shangrao Yunchi Network Technology Co., Ltd. ("上饒雲馳網絡科技有限公司") ("Shangrao Yunchi")	1 December 2017 PRC/Chinese mainland	RMB5,050,505	—	100	Game marketing and operation
Guangzhou Bajiyuou Network Technology Co., Ltd. ("廣州八九遊網絡科技有限公司") ("Guangzhou Bajiyuou")	5 December 2017 PRC/Chinese mainland	RMB10,000,000	—	51	Game marketing and operation
Guangzhou Chichi Network Technology Co., Ltd. ("廣州吃吃網絡科技有限公司") ("Guangzhou Chichi")	19 June 2018 PRC/Chinese mainland	RMB2,000,000	—	100	Sale of products

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1. CORPORATE AND GROUP INFORMATION (Continued)

Information about subsidiaries (Continued)

Name	Date and place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Hainan Zhangwan Network Technology Co., Ltd. ("海南掌玩網絡科技有限公司") ("Hainan Zhangwan")	14 April 2020 PRC/Chinese mainland	RMB2,040,816	—	51	Game marketing and operation
Guangzhou Feifan Information Technology Co., Ltd. ("廣州非凡信息科技有限公司") ("Guangzhou Feifan")	9 June 2020 PRC/Chinese mainland	RMB20,408,163	—	51	Game marketing and operation
Guangzhou Zhongxu Digital Information Technology Co., Ltd. ("廣州中旭數科信息科技有限公司") ("Guangzhou Zhongxu")	27 September 2020 PRC/Chinese mainland	RMB10,000,000	—	100	Game marketing and operation
Hainan Tanwan Information Technology Co., Ltd. ("海南貪玩信息技術有限公司") ("Hainan Tanwan")	4 November 2020 PRC/Chinese mainland	RMB1,000,000	—	100	Game marketing and operation
Shangrao Guangfeng Tanwan Network Technology Co., Ltd. ("上饒市廣豐區貪玩網絡科技有限公司") ("Shangrao Tanwan")	29 January 2021 PRC/Chinese mainland	RMB10,000,000	—	100	Game marketing and operation
Hong Kong 9 Ring Network Co., Limited ("香港九環網絡有限公司") ("HK 9 Ring")	9 February 2021 Hong Kong	HKD20,000,000	51	—	Game marketing and operation
ZX Interactive Limited ("ZX BVI")	30 March 2021 British Virgin Islands	USD1	100	—	Game marketing and operation
ZX Data Limited ("中旭數據有限公司") ("ZX HK")	16 April 2021 Hong Kong	HKD1	100	—	Game marketing and operation
Guangzhou Zhongxu Future Technology Co., Ltd. ("廣州中旭未來科技有限公司") ("ZX WFOE")	26 May 2021 PRC/Chinese mainland	RMB20,000,000	100	—	Other marketing services

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1. CORPORATE AND GROUP INFORMATION (Continued)

Information about subsidiaries (Continued)

Name	Date and place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Guangzhou Hehe Information Technology Co., Ltd. ("廣州喝喝信息技術有限公司") ("Guangzhou Hehe")	6 January 2022 PRC/Chinese mainland	RMB2,000,000	—	100	Sale of products
Guangzhou Tanwan Mobile Game Network Technology Co., Ltd. ("廣州貪玩手遊網絡科技有限公司") ("Guangzhou Tanwan Mobile Game")	8 March 2022 PRC/Chinese mainland	RMB10,000,000	—	51	Game marketing and operation
Guangzhou Future Industry Service Co., Ltd. ("廣州未來產業服務有限公司") ("Guangzhou Future Industry")	26 April 2022 PRC/Chinese mainland	RMB70,000,000	—	100	Real estate
Guangzhou Zhongxu Industry Service Co., Ltd. ("廣州中旭產業服務有限公司") ("ZX Industry")	26 April 2022 PRC/Chinese mainland	RMB55,000,000	—	100	Real estate
Hong Kong Happy Time Interactive Limited ("香港歡樂時光互娛有限公司") ("Hong Kong Happy Time")	30 May 2022 Hong Kong	HKD100,000	100	—	Game marketing and operation
Lanzhou Xulan Information Technology Co., Ltd. ("蘭州旭蘭信息技術有限公司") ("Lanzhou Xulan")	5 January 2024 PRC/Chinese mainland	RMB1,000,000	—	100	Game marketing and operation
Shangrao Chichi E-Commerce Co., Ltd ("上饒吃吃電子商務有限公司") ("Shangrao Chichi")	13 March 2024 PRC/Chinese mainland	RMB2,000,000	—	100	Sale of products

All our subsidiaries established in the PRC are limited liability companies.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, affected the results for the year or formed a substantial portion of the net assets of the Group.

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2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the disclosure requirements the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for wealth management products and equity investments which have been measured at fair value. These financial statements are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2. ACCOUNTING POLICIES *(Continued)*

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current</i> (the " 2020 Amendments ")
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i> (the " 2022 Amendments ")
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

The nature and the impact of the revised HKFRSs are described below:

- (a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.
- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

- (c) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

Notes to Consolidated Financial Information

31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended HKFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended HKFRS Accounting Standards, if applicable, when they become effective.

HKFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ²
HKFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures</i> ²
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ¹
Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> ¹
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
Amendments to HKAS 21	<i>Translation to a Hyperinflationary Presentation Currency</i> ²
<i>Annual Improvements to HKFRS Accounting Standards – Volume 11</i>	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 ¹

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual/reporting periods beginning on or after 1 January 2027

³ No mandatory effective date yet determined but available for adoption

Further information about those HKFRS Accounting Standards that are expected to be applicable to the Group is described below.

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

2. ACCOUNTING POLICIES (Continued)

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS (Continued)

HKFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with HKFRS Accounting Standards or IFRS Accounting Standards. (See commentary on page (50)) HKFRS 19 was amended in April 2025 to include IFRS Accounting Standards in the eligibility criteria for applying the standard. The standard was further amended in October 2025 to (i) remove disclosure objectives from HKFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to HKFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply HKFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of HKFRS 19 and its amendments in their specified financial statements.

Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 9 and HKFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of the initial application. Earlier application is permitted. The amendments to HKFRS 9 and HKFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now.

Notes to Consolidated Financial Information

31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS (Continued)

Annual Improvements to HKFRS Accounting Standards — Volume 11 set out amendments to HKFRS 1, HKFRS 7 (and the accompanying *Guidance on implementing HKFRS 7*), HKFRS 9, HKFRS 10 and HKAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- **HKFRS 7 *Financial Instruments: Disclosures*:** The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing HKFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing HKFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **HKFRS 9 *Financial Instruments*:** The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in HKFRS 16 and an extinguishment of a lease liability in accordance with HKFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **HKFRS 10 *Consolidated Financial Statements*:** The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of HKFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **HKAS 7 *Statement of Cash Flows*:** The amendments replace the term “cost method” with “at cost” in paragraph 37 of HKAS 7 following the prior deletion of the definition of “cost method”. Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

2.4 MATERIAL ACCOUNTING POLICIES

Investments in associates and joint ventures

An associate is an entity in which the Group has a long-term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

2. ACCOUNTING POLICIES (Continued)

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Investments in associates and joint ventures (Continued)

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

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31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Business combinations and goodwill (Continued)

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

The Group measures its financial assets at fair value through profit or loss at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2. ACCOUNTING POLICIES (Continued)

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Fair value measurement (Continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than contract assets, deferred tax assets, financial assets and non-current assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

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31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group; and the sponsoring employers of the post-employment benefit plan;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2. ACCOUNTING POLICIES (Continued)

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Property and equipment and depreciation

Property and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	2.99%
Electronic devices	32%
Furniture and fixtures	22%
Motor vehicles	24%
Leasehold improvements	Shorter of estimated useful lives and remaining lease terms

Where parts of an item of property and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents a building under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction during the period of construction. Construction in progress is reclassified to the appropriate category of property and equipment when completed and ready for use.

Notes to Consolidated Financial Information

31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Investment properties

Investment properties are interests in properties held to earn rental income and/or for capital appreciation.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is provided using the straight-line method to write off the cost of the investment properties over the estimated useful lives. Where the carrying amount of an investment property is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of the retirement or disposal.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the item is derecognised.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Copyright

Copyright, hereby, refers to the legal right of game software belonging to the Group. The copyright is amortised on a straight-line basis over the life cycle of the specific game, which lasts for at least 2 years.

Game operation agreements

Game operation agreements are stated at cost less any impairment loss and are amortised on a straight-line basis over the expected economic lives of 1 to 3 years.

Computer software

Acquired computer software is stated at historical cost less amortisation. Acquired computer software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software, and is amortised on a straight-line basis over the useful lives of 2 to 3 years.

Domain names

Domain names are initially recognised and measured at costs incurred to acquire and bring to use them. The costs are amortised on a straight-line basis over the domain names' estimated useful lives of not exceeding 10 years, which is determined by the shorter of the registered license years and expected usage period.

2. ACCOUNTING POLICIES (Continued)

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Intangible assets (other than goodwill) (Continued)

Cryptocurrencies

Accounting of cryptocurrencies IFRSs do not specifically address accounting for cryptocurrencies. Accordingly, for the preparation of the annual report, management needs to apply judgment in determining appropriate accounting policies based on the facts and circumstances of the Group's acquisition and holding of cryptocurrencies. Given the Group's purpose for holding cryptocurrencies, management considered that cryptocurrencies purchased and held by the Group should be accounted for as indefinite lived intangible assets accounted for under the cost model. In determining fair values used for impairments tests, management needs to apply judgment to identify the relevant available markets for trading of cryptocurrencies, and to consider accessibility to and activity within those markets in order to identify the principal cryptocurrency markets to ascertain the respective fair market values.

Research and development costs

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Office premises	2 to 15 years
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If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Notes to Consolidated Financial Information

31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Leases (Continued)

Group as a lessee (Continued)

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of office premises (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

2. ACCOUNTING POLICIES (Continued)

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the profit or loss when the asset is derecognised, modified or impaired.

Notes to Consolidated Financial Information

31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Investments and other financial assets (Continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

This category includes equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value through profit or loss are also recognised as other income in profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2. ACCOUNTING POLICIES (Continued)

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Impairment of financial assets

The Group recognises an allowance for expected credit losses (“**ECLs**”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1	—	Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
Stage 2	—	Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
Stage 3	—	Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Notes to Consolidated Financial Information

31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Impairment of financial assets (Continued)

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition as loans and borrowings or payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and bills payable, and other payables and accruals, lease liabilities, and interest-bearing bank and other borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

2. ACCOUNTING POLICIES (Continued)

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

Treasury shares

Own equity instruments which are reacquired and held by the Company or the Group (treasury shares) are recognised directly in equity at cost. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the year between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Notes to Consolidated Financial Information

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2. ACCOUNTING POLICIES (Continued)

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Income tax (Continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each of the reporting periods and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2. ACCOUNTING POLICIES (Continued)

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when or as the control of the goods or services is transferred to customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Game marketing and operation

Most of the online games that the Group markets or operates are under a free-to-play basis whereby the players can play the games free of charge and are charged for the purchase of virtual items in the game. Such payments are generally non-refundable and non-cancellable. The game products are either i) authorised by third-party game developers or publishers ("**Authorized Games**") or ii) self-owned ("**Self-owned Game**").

i) Authorised Games

When the Group markets and operates an online game product pursuant to a business arrangement under which a third-party game developer authorises the Group to conduct precision marketing, publishing and payment channel operation and/or brand development services, the Group considers the game developer as the customer and regards itself as the agent of the game developer in dealing with the end-users of the game product because (i) the game developer is responsible for providing game products, and embracing the right to authorise the Group to provide services; (ii) the game developer is responsible for the development, upgrade, update and maintenance of the game; (iii) the game developer independently sets the prices of virtual items in the game, and is responsible for the generation, transfer, operation and destruction of virtual items; and (iv) the game developer is responsible for hosting and maintaining the game server.

Pursuant to the service agreement between the Group and the third-party game developer, the Group charges the game developer a service fee based on a certain percentage of the gross amounts that the end players pay for the purchase of the virtual items in the game. The Group recognises the service revenue on a net basis which equals to the gross amounts collected from the end players less the amounts shared by the game developer when the end-users pay for the purchase of the in-game virtual items and when such amounts are determinable.

Notes to Consolidated Financial Information

31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Game marketing and operation (Continued)

i) Authorised Games (Continued)

In certain agreements where the Group provides marketing and operation support services to third party publishers who have obtained the game authorisation from game developers, the publishers are responsible for precision marketing, publishing and payment channel operation and/or brand incubation services and the Group only charges the publishers a service fee based on a certain percentage of the gross amounts that the end players pay for the purchase of the virtual items in the games. The Group considers the publishers as the customers and regards itself as the agent of the publishers in providing marketing and operation services to the game developers. The Group recognises revenue on a net basis which equals to the amount charged to the publishers.

In certain agreements with the third-party game developer, the Group is entitled to additional bonus based on the actual marketing performance. Revenue from such additional bonus is recognised when the amount is determined and confirmed by the customers.

ii) Self-owned Game

Starting from January 2022, the Group markets and operates self-owned game product. Under such circumstance, as the Group is solely responsible for the game product development, maintenance, price setting and game server, the Group considers itself the principal of the game product and the end players as the customers. The Group has determined that it is obligated to provide on-going services to the end-users who make payments to gain an enhanced game playing experience over the playing period, and accordingly the Group recognised the revenue ratable over the estimated average paying period of these paying end-users (“**Player Relation Period**”), starting from the point in time when the purchase of in-game virtual items is made, and all the other revenue recognition criteria are met. The Group estimates the Player Relation Period of a game based on historical data statistics of the paying players and re-assesses such period semi-annually.

The Group may market or operate the online game products (including both Authorised Games and Self-owned game) through the self-run model and joint-run model.

Under the self-run model, the Group conducts marketing, publishing and payment channel operation and/or brand incubation services on its own. The Group is responsible for identifying, contracting with the payment channels (primarily Wechat pay, Alipay and Apple pay) and the media platforms. Commissions paid to the payment channels are included in cost of sales and the marketing costs paid to the media platforms are included in selling expenses except for the marketing fees calculated based on pay-to-sale which are included in cost of sales.

Under the joint-run model, the Group involves collaborated distribution platforms to serve as both an end-user acquisition channel and a strategic partner with the Group to joint-run the authorised game products, a portion of the gross amounts paid by the end-users is withheld directly by the collaborating distribution platforms (primarily mobile application stores) pursuant to the business arrangement with such collaborating distribution platforms. The Group records the amount withheld by the collaborating distribution platforms under the joint-run model as part of cost of sales.

2. ACCOUNTING POLICIES (Continued)

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Other marketing services

Other marketing services are provided primarily for the developer of non-gaming applications (mainly literature products). Therefore, the Group considers the third-party literature content providers as its customer and itself as an agent in its arrangement with both the third-party content creators and the online literature readers. The Group recognises the service revenue on a net basis which equals to the gross amounts collected from the online literature readers less the amounts shared by the literature content providers when the readers subscribe pay-to-read services and when such amounts are determinable.

Sales of products

The Group sells consumer products, which mainly contain rice noodle products and other fast consumer foods under the self-own brand “Zha Zha Hui”, to the end customers over third-party online retail platforms such as Douyin (“抖音”) and to the distributors.

Revenue from the sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on the receipt and acceptance of products.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income

Dividend income is recognised when the shareholders’ right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Contract costs

Costs incurred to obtain a contract that are not incremental costs are required to be expensed as incurred, unless they are explicitly chargeable to the customer (regardless of whether the contract is obtained). Any capitalised contract costs are amortised, with the expense recognised on a systematic basis that is consistent with the entity’s transfer control of the related goods or services to the customer.

Share-based payments

The Group operates a share award scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (“**equity-settled transactions**”).

The cost of equity-settled transactions with employees for grants is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a discounted cash flow method and a binomial model, further details of which are given in note 30 to the consolidated financial statements.

Notes to Consolidated Financial Information

31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Share-based payments (Continued)

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Other employee benefits

Pension scheme

The employees of the Group's subsidiaries which operate in Chinese mainland are required to participate in a central pension scheme operated by the local municipal government. This subsidiary is required to contribute a certain percentage of its payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

2. ACCOUNTING POLICIES (Continued)

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Other employee benefits (Continued)

Pension scheme (Continued)

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “**MPF Scheme**”) under the Mandatory Provident Fund Schemes Ordinance for its employees. Contributions are made based on a percentage of the employees’ basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme.

Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

Housing fund — Chinese mainland

The Group contributes on a monthly basis to a defined contribution housing fund plan operated by the local municipal government. Contributions to this plan by the Group are expensed as incurred.

Borrowing costs

All borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Interim dividends are simultaneously proposed and declared, because the Company’s memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

These financial statements are presented in RMB which is the Company’s functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

Notes to Consolidated Financial Information

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Principal versus agent considerations

The Group determines whether it is a principal or an agent in providing marketing and operating services by evaluating the nature of its promise to the customer. The Group is a principal and therefore records revenue on a gross basis if it controls promised services before transferring the services to the customer. Otherwise, the Group is an agent and records as revenue the net amount that it retains profits agency services if its role is to arrange to provide the services. To assess whether the Group controls the services before they are transferred to the customer, the Group has considered various factors, including but not limited to whether the Group (i) is the primary obligor in the arrangement, (ii) has general inventory risk, (iii) has discretion in establishing the selling price.

Contingent liabilities on pending litigations

The Group has several pending litigations with regards to game products operated by the Group in the PRC. The Group recognised a provision for the estimated amounts to settle the obligations based on all the available information and the advices from legal counsels. If the final outcomes of these pending litigations are different with management's estimation, there will be adjustments to the amounts provided.

Withholding tax arising from the distribution of dividends

The Group's determination, as to whether to accrue deferred tax liabilities in respect of withholding taxes arising from the distributions of dividends by certain subsidiaries according to the relevant tax rules enacted in the jurisdictions, is subject to judgement on the plan of the distribution of dividends. Withholding tax is provided for the profits of the subsidiaries which the Group considers it probable to be distributed in the foreseeable future. Further details are included in note 28 to the consolidated financial statements.

Contractual Arrangements

Jiangxi Tanwan and its subsidiaries (collectively the "**PRC Operating Entities**") are mainly engaged in the provision of product marketing and operation services to online games in the PRC, which falls in the scope of "Catalogue of Restricted Foreign Investment Industries" that foreign investors are prohibited to invest.

As disclosed in note 2.1 to the consolidated financial statements, the Group exercises control over the PRC Operating Entities and enjoys substantially all economic benefits of the PRC Operating Entities through the Contractual Arrangements.

The Group considers that it controls the PRC Operating Entities, notwithstanding the fact that it does not hold direct equity interests in the PRC Operating Entities, as it has power over the PRC Operating Entities, has rights to variable returns from its involvement with the PRC Operating Entities and has the ability to affect those returns through its power over the PRC Operating Entities through the Contractual Arrangements. Accordingly, the PRC Operating Entities have been accounted for as subsidiaries during the year. The Group has consolidated the financial position and results of the PRC Operating Entities in the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(Continued)*

Judgements *(Continued)*

Property lease classification — Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all the fair value of the commercial property, that it retains substantially all the significant risks and rewards incidental to ownership of these properties which are leased out and accounts for the contracts as operating leases.

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Estimate of the Player Relation Period for revenue from self-owned game operation

As described in note 2.4 to the consolidated financial statements, revenue from self-owned game is recognised over the Player Relation Period. The Group estimates the Player Relation Period of a game based on historical data statistics of the paying players and re-assesses such period semi-annually. While the Group believes its estimates to be reasonable, it may revise such estimate in the future as there are any important changes in game player behaviour patterns, games' operation periods and other aspects.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2025 was nil (2024: nil). Further details are given in note 16.

Notes to Consolidated Financial Information

31 December 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(Continued)*

Estimation uncertainty *(Continued)*

Provision for expected credit losses on trade and other receivables

The Group uses a provision matrix to calculate ECLs for trade and other receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables and other receivables are disclosed in note 20 and note 21 to the Consolidated financial statement.

Leases — Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Indefinite life intangible assets are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations is undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(Continued)*

Estimation uncertainty *(Continued)*

Impairment of investments in joint ventures and associates

The Group determined whether there are indicators of impairment for investments in joint ventures and associates at the end of each reporting period. Indicators of impairment included, but not limited to serious deterioration of financial condition of the joint ventures and associates, significant drop in share prices, adverse changes in the industry market environment and other circumstances indicated that joint ventures and associates are unable to generate economic benefits for the Group. When such an indicator exists, the Group tested its investments in joint ventures and associates for impairment by comparing the estimated recoverable amounts with the carrying amounts. An impairment exists when the carrying value of investments in joint ventures and associates exceeds its recoverable amount.

Fair value of share-based payments

The equity-settled share-based payments were estimated based on fair value of the awards as at the date of grant using valuation model depending on the terms and conditions of the grant. This requires the Group to determine the most appropriate inputs to the valuation model and make assumptions about them. Further details are included in note 30 to the consolidated financial statement.

Fair value of equity investments

Fair value of financial assets, in the absence of an active market, is estimated by using appropriate valuation techniques including the recent transaction approach. Management of the Group determines their fair value at the end of each reporting period by taking reference to those recent transaction prices. Further details are included in note 37.

Useful lives of intangible assets

Amortisation is calculated on the straight-line basis to write off the cost of each item of intangible assets to its residual value over its estimated useful life. The estimated useful lives and dates that the Group places the items of assets into productive use reflect the directors' estimate of the periods that the Group intends to derive future economic benefits from the use of the Group's intangible assets.

Notes to Consolidated Financial Information

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4. OPERATING SEGMENT INFORMATION

HKFRS 8 Operating Segments requires operating segments to be identified on the basis of internal reporting about components of the Group that are regularly reviewed by the chief operating decision-maker in order to allocate resources to segments and to assess their performance. The information reported to the directors of the Company, who are the chief operating decision-makers, for the purpose of resource allocation and assessment of performance, does not contain discrete operating segment financial information and the directors reviewed the financial results of the Group as a whole. Therefore, no further information about the operating segment is presented.

Geographical information

(a) Revenue from external customers

	2025 RMB'000	2024 RMB'000
Chinese Mainland	3,325,124	4,956,685
Hong Kong	831,826	615,487
Others	1,249	7,940
Total revenue	4,158,199	5,580,112

(b) Non-current assets

As at 31 December 2025 and 2024, substantially all of the non-current assets of the Group were located in Chinese mainland.

Information about major customers

Revenue from customers which amounted to more than 10% of the Group's revenue during the years ended 31 December 2025 and 2024 is set out below:

	2025 RMB'000	2024 RMB'000
Customer A	1,530,480	1,241,242
Customer B	675,932	1,517,737

Notes to Consolidated Financial Information

31 December 2025

5. REVENUE, OTHER INCOME AND GAINS

Revenue from contracts with customers

(a) Disaggregated revenue information

	2025 RMB'000	2024 RMB'000
Types of goods or services		
Game marketing and operation — Self-run model	2,766,697	4,118,801
Game marketing and operation — Joint-run model	1,284,820	1,329,845
Other marketing services	427	29,265
Sales of products	106,255	102,201
	<hr/>	<hr/>
Total	4,158,199	5,580,112
	<hr/>	<hr/>
Timing of revenue recognition		
Services transferred over time	459,310	423,896
Services transferred at a point in time	3,592,634	5,054,015
Goods transferred at a point in time	106,255	102,201
	<hr/>	<hr/>
Total	4,158,199	5,580,112
	<hr/>	<hr/>
Geographical markets		
Chinese Mainland	3,325,124	4,956,685
Hong Kong	831,826	615,487
Others	1,249	7,940
	<hr/>	<hr/>
Total	4,158,199	5,580,112
	<hr/>	<hr/>

Notes to Consolidated Financial Information

31 December 2025

5. REVENUE, OTHER INCOME AND GAINS (Continued)

Revenue from contracts with customers (Continued)

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Authorised game marketing and operation

The performance obligation is satisfied upon the payment for the purchase of in-game virtual items by game players as the Group has no further obligation to game developers or publishers in order to earn the service fees upon the completion of the corresponding payment. Under the self-run model, the payment is due immediately when the game players make the payment for in-game purchases. Under joint-run model, the payment is due when the statement is received and confirmed with the collaborating distribution platforms. The Group settles the payment with game developers or publishers within 180 days from the date of billing.

Self-owned game marketing and operation

The performance obligation is satisfied over the estimated Player Relation Period. Under the self-run model, the payment is due immediately when the game players make the payment for in-game purchases. Under the joint-run model, the payment is due when the statement is received and confirmed with the collaborating distribution platforms.

Other marketing services

The performance obligation is satisfied upon the subscription of pay-to-read services by online literature readers. The payment is due immediately when the readers make the subscription. The Group settles the payment with the literature content providers on a monthly basis.

Sales of products

The performance obligation is satisfied at the point in time when the products are delivered and accepted by customers. The payment is due immediately for direct sales to the end customers on online retail platforms. The payment from the distributors is generally due within 15 days from delivery.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2025 and 2024 are as follows:

	2025	2024
	RMB'000	RMB'000
Amounts expected to be recognised as revenue:		
Within one year	44,501	48,973

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised as revenue within one year relate to self-owned game marketing and operation. The amounts disclosed above do not include variable consideration which is constrained.

Notes to Consolidated Financial Information

31 December 2025

5. REVENUE, OTHER INCOME AND GAINS (Continued)

An analysis of other income and gains is as follows:

	Note	2025 RMB'000	2024 RMB'000
Other income			
Bank interest income		68,628	115,841
VAT additional deduction and refunds		6,296	1,584
Investment property rental income	14	2,386	2,106
Government grants — related to income*		1,000	6,947
Investment income from financial assets at fair value through profit or loss		—	5,165
Others		936	574
		79,246	132,217
Gains			
Fair value gain on financial assets at fair value through profit or loss		1,803,077	—
Foreign exchange gains		—	2,358
Gain on lease modification	15	—	28,351
		1,803,077	30,709
		1,882,323	162,926

* Various government grants have been received from local government authorities in Chinese mainland. There are no unfulfilled conditions and other contingencies relating to these grants.

Notes to Consolidated Financial Information

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6. PROFIT BEFORE TAX

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

	Notes	2025 RMB'000	2024 RMB'000
Costs of services charged by the collaborating distribution platforms under the joint-run model		964,026	1,039,657
Cost of products sold		72,591	68,819
Promotion expenses		1,721,020	3,335,096
Employee benefit expense: (including directors' and chief executive's remuneration)			
Wages and salaries		271,468	236,880
Equity-settled-based payment expenses		18,634	116,886
Pension scheme contributions* (defined contribution scheme)		11,525	12,779
		301,627	366,545
Auditor's remuneration		6,500	6,500
Depreciation of property and equipment	13	19,066	15,556
Depreciation of right-of-use assets	15	39,836	43,047
Depreciation of investment properties	14	2,911	2,331
Amortisation of other intangible assets**	17	3,978	5,154
Lease payments not included in the measurement of lease liabilities	15	176	—
Loss/(gain) on lease modification	15	1,238	(28,351)
Foreign exchange differences, net		7,730	(2,358)
Impairment of an investment in an associate***	19	—	972
Impairment of trade receivables, net	20	860	(827)
Impairment of financial assets included in other receivables	21	119,643	136,105
Impairment of property and equipment***	13	—	32,798
Impairment of investment property***	14	13,240	5,155
Impairment of goodwill***	16	—	27,917
Fair value (gain)/loss on financial assets at fair value through profit or loss		(1,803,077)	13,263
(Gain)/loss on disposal of financial assets at fair value through profit or loss		14,158	(5,165)
Loss/(gain) on disposal of subsidiaries		1,295	—
Loss on disposal of items of property and equipment, net		186	19,615

* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

** The amortisation of other intangible assets is included in costs of sales and administrative expenses in the consolidated statement of profit or loss and other comprehensive income.

*** The impairment of investment in an associate, property and equipment, investment property and goodwill are included in other expenses in the consolidated statement of profit or loss and other comprehensive income.

Notes to Consolidated Financial Information

31 December 2025

7. FINANCE COSTS

An analysis of finance costs is as follows:

	2025	2024
	RMB'000	RMB'000
Finance costs on bills payable*	10,558	34,287
Interest on bank borrowings	1,355	1,636
Interest on lease liabilities (note 15)	2,202	6,545
	14,115	42,468

* It represented the finance costs charged by banks to extend the maturity date of bills payable.

8. DIRECTORS' AND CHIEF EXECUTIVES' REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2025	2024
	RMB'000	RMB'000
Fees	2,254	2,254
Other emoluments:		
Salaries, allowances and benefits in kind	1,890	2,909
Discretionary bonuses	6,977	—
Equity-settled share option expense	5,043	28,795
Pension scheme contributions	23	49
Subtotal	13,933	31,753
Total	16,187	34,007

During 2023, certain directors were granted share options, in respect of their services to the Group, under the share option scheme of the Company, further details of which are set out in note 30 to the financial statements. The fair value of such options, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above directors' and chief executive's remuneration disclosures. In 2025, no shares options were granted to the directors.

Notes to Consolidated Financial Information

31 December 2025

8. DIRECTORS' AND CHIEF EXECUTIVES' REMUNERATION (Continued)

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	2025 RMB'000	2024 RMB'000
Ms. SONG Siyun (宋司筠)	136	136
Mr. QIN Yongde (覃永德)	136	136
Ms. ZHENG Yi (鄭怡)	182	182
Total	454	454

Ms. SONG Siyun (宋司筠), Mr. QIN Yongde (覃永德), and Ms. ZHENG Yi (鄭怡) were appointed as independent non-executive directors of the Company on 30 March 2023. There were emoluments payable of RMB454,000 to the independent non-executive directors during the year (2024: RMB454,000).

(b) Executive director and the chief executive

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Discretionary bonuses RMB'000	Equity-settled share option expense RMB'000	Pension scheme contributions RMB'000	Total remuneration RMB'000
2025						
Executive directors:						
Ms. Wu Xuan (吳璇)	800	541	2,977	—	8	4,326
Chief executive:						
Ms. Liang Wenhong ² (梁文紅)	—	782	—	—	—	782
Mr. Wu Xubo ¹ (吳旭波)	1,000	567	4,000	5,043	15	10,625
	1,800	1,890	6,977	5,043	23	15,733
2024						
Executive director:						
Ms. Wu Xuan (吳璇)	800	802	—	—	14	1,616
Mr. Wu Xubo ¹ (吳旭波)	1,000	1,437	—	28,795	30	31,262
Chief executive:						
Ms. Liang Wenhong ² (梁文紅)	—	670	—	—	5	675
	1,800	2,909	—	28,795	49	33,553

1 Mr. Wu Xubo was appointed as a chief executive officer of the Company with effect from 1 July 2025. Mr. Wu Xubo resigned as a chief executive officer of the Company with effect from 30 August 2024, while remains as an executive director.

2 Ms. Liang Wenhong resigned as a chief executive officer of the Company with effect from 1 July 2025. Ms. Liang Wenhong was appointed as a chief executive officer of the Company with effect from 30 August 2024.

Notes to Consolidated Financial Information

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8. DIRECTORS' AND CHIEF EXECUTIVES' REMUNERATION (Continued)

(b) Executive director and the chief executive (Continued)

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

During the year, no remuneration was paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included two director (2024: one director), details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining three (2024: four) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2025	2024
	RMB'000	RMB'000
Salaries, allowances and benefits in kind	1,450	1,231
Discretionary bonuses	3,094	229
Equity-settled share option expense	902	18,974
Pension scheme contributions	15	49
	5,461	20,483

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees	
	2025	2024
HKD2,000,001 to HKD2,500,000	1	1
HKD3,500,001 to HKD4,000,000	1	—
HKD4,000,001 to HKD5,500,000	1	—
HKD5,500,001 to HKD6,000,000	—	1
HKD6,000,001 to HKD6,500,000	—	2
	3	4

During the year and in prior years, share options were granted to four non-director and non-chief executive highest paid employees in respect of their services to the Group, further details of which are included in the disclosures in note 30 to the financial statements. The fair value of such options, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

During the year, no remuneration was paid by the Group to the non-director and non-chief executive highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office.

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10. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Company and its subsidiaries are not subject to any income tax in the Cayman Islands and the British Virgin Islands.

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

Taxes on profits assessable in Chinese mainland have been calculated at the prevailing tax rates, based on existing legislation, interpretations and practices in respect thereof. Pursuant to the PRC Corporate Income Tax Law (the “**PRC Tax Law**”) effective on 1 January 2008, the PRC corporate income tax rate of the Group’s subsidiaries operating in Chinese mainland during the reporting period was 25% of their taxable profits.

Jiangxi Tanwan was accredited as a high and new technology enterprise (“**HNTE**”) in October, 2024, and the certificate is valid for three years. It enjoy the preferential tax rate of 15% in 2025.

ZX WFOE was accredited as a “software enterprise” in 2021 under relevant PRC laws and regulations. Accordingly, ZX WFOE is exempt from Corporate Income Tax (“**CIT**”) for 2021 and 2022, followed by a 50% reduction in the applicable tax rates from 2023 to 2025.

The Group falls within the scope of the Global Anti-Base Erosion (GloBE) Model Rules (the “**Pillar Two Model Rules**”). The Group is temporarily exempt from recognizing and disclosing information about deferred tax assets or liabilities arising from the implementation of the Pillar Two Model Rules and will accounted for the Pillar Two income tax as current tax when incurred. In 2025, certain jurisdictions where the Group operates have enacted Pillar Two legislation, i.e. Hong Kong, Singapore, Japan and Qatar. Based on currently available information, the Group has assessed the potential Pillar Two income tax exposure related to the financial performance for the current year, the results of which may not fully reflect the actual situation in the future. According to the assessment, the Group has identified potential Pillar Two income tax exposure and made a provision of RMB4,824,000 for the Pillar Two top-up tax in the jurisdiction where, due to certain tax incentives, the Pillar Two effective tax rate is below 15%. Given that more countries are expected to enact Pillar Two legislation, the Group will continue to monitor the legislative developments in the jurisdictions where it operates to assess their potential impact on the financial statements in the future.

The following table sets forth a breakdown of the income tax expense for the year indicated:

	2025 RMB'000	2024 RMB'000
Current — Chinese Mainland	16,957	62,607
Pillar Two income tax — current tax	4,824	—
Deferred (note 28)	386,921	(8,211)
Total	<u>408,702</u>	<u>54,396</u>

Notes to Consolidated Financial Information

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10. INCOME TAX (Continued)

A reconciliation of the tax expense applicable to profit before tax at the statutory rate of Chinese mainland (i.e., 25%) where the main operating entities are domiciled to the tax expense at the effective tax rate, and a reconciliation of the applicable rate (i.e., the statutory tax rate) to the effective tax rate, are as follows:

	2025		2024	
	RMB'000	%	RMB'000	%
Profit before tax	1,968,937		98,415	
Tax at the statutory tax rate	492,234	25	24,604	25
Lower tax rate(s) for specific provinces or enacted by local authority	(77,238)	(4)	(170)	—
Profits and losses attributable to joint ventures and associates	(8,885)	—*	(18,677)	(19)
Super deduction for research and development expenses	(22,278)	(1)	(19,472)	(20)
Expenses not deductible for tax purposes	6,095	—*	37,313	38
Deductible temporary differences and tax losses not recognised	20,444	1	31,106	32
Utilisation of previously unrecognised tax losses	(19,671)	(1)	(320)	—
Pillar Two income tax	4,824	—*	—	—
Income not subject to tax	(17,975)	(1)	—	—
Adjustments of deferred tax due to changes in tax rates	31,152	2	12	—
Tax charge at the Group's effective rate	408,702	21	54,396	55

* Less than 1%

11. DIVIDENDS

The Board does not recommend the payment of a final dividend to the ordinary equity holders of the Company for the year ended 31 December 2025 (2024 Nil).

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

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 533,155,134 (2024: 521,434,940) outstanding during the year, as adjusted to reflect the rights issue during the year.

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

The calculations of basic and diluted earnings per share are based on:

	2025	2024
Earnings		
Profit/(loss) attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation (RMB'000)	1,486,509	(3,624)
Shares		
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation	524,745,782	521,434,940
Effect of dilution — weighted average number of ordinary shares	8,409,352	—
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	533,155,134	521,434,940

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13. PROPERTY, PLANT AND EQUIPMENT

	Electronic devices RMB'000	Furniture and fixtures RMB'000	Motor vehicles RMB'000	Leasehold improvements RMB'000	Buildings* RMB'000	Construction in progress** RMB'000	Total RMB'000
31 December 2025							
At 1 January 2025:							
Cost	26,391	4,246	31,783	37,809	63,808	456	164,493
Accumulated depreciation and impairment	(20,953)	(2,521)	(14,490)	(4,811)	(41,702)	–	(84,477)
Net carrying amount	5,438	1,725	17,293	32,998	22,106	456	80,016
At 1 January 2025, net of accumulated depreciation and impairment							
	5,438	1,725	17,293	32,998	22,106	456	80,016
Additions	596	182	3,118	607	–	203,065	207,568
Disposals	(238)	–	–	–	–	–	(238)
Depreciation provided during the year (note 6)	(2,146)	(533)	(6,438)	(9,949)	–	–	(19,066)
Transfers to investment properties	–	–	–	–	(22,106)	–	(22,106)
At 31 December 2025, net of accumulated depreciation and impairment	3,650	1,374	13,973	23,656	–	203,521	246,174
At 31 December 2025:							
Cost	23,100	4,428	34,902	38,416	39,367	203,521	343,734
Accumulated depreciation and impairment	(19,450)	(3,054)	(20,929)	(14,760)	(39,367)	–	(97,560)
Net carrying amount	3,650	1,374	13,973	23,656	–	203,521	246,174

Notes to Consolidated Financial Information

31 December 2025

13. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Electronic devices RMB'000	Furniture and fixtures RMB'000	Motor vehicles RMB'000	Leasehold improvements RMB'000	Buildings* RMB'000	Construction in progress** RMB'000	Total RMB'000
31 December 2024							
At 1 January 2024:							
Cost	24,326	3,065	23,922	31,791	63,808	1,565	148,477
Accumulated depreciation and impairment	(19,696)	(2,054)	(8,464)	(11,881)	(7,815)	—	(49,910)
Net carrying amount	4,630	1,011	15,458	19,910	55,993	1,565	98,567
At 1 January 2024, net of accumulated depreciation and impairment							
4,630	1,011	15,458	19,910	55,993	1,565	98,567	
Additions	3,798	1,208	7,861	1,200	—	35,612	49,679
Disposals	(283)	(3)	—	(17,048)	—	(2,542)	(19,876)
Depreciation provided during the year (note 6)	(2,707)	(491)	(6,026)	(5,243)	(1,089)	—	(15,556)
Transfers to leasehold improvements	—	—	—	34,179	—	(34,179)	—
Impairment (note 6)	—	—	—	—	(32,798)	—	(32,798)
At 31 December 2024, net of accumulated depreciation and impairment	5,438	1,725	17,293	32,998	22,106	456	80,016
At 31 December 2024:							
Cost	26,391	4,246	31,783	37,809	63,808	456	164,493
Accumulated depreciation and impairment	(20,953)	(2,521)	(14,490)	(4,811)	(41,702)	—	(84,477)
Net carrying amount	5,438	1,725	17,293	32,998	22,106	456	80,016

* As at 31 December 2025, due to continued deterioration in the real estate development market in Guangzhou, the entity conducted an impairment review of its fixed asset building within the region. Given the prolonged negative operating performance, absence of reliable forecasted cash flows, and limited potential for recovery, management, applying the principle of prudence, concluded that the recoverable amount of the asset was zero. Consequently, the carrying amounts of buildings were written down by RMB39,367,000. The impairment loss recognized was included in "Property, plant and equipment" in the consolidated statement of profit or loss.

As at 31 December 2025, the Group's buildings with a net carrying amount of Nil (2024: RMB22,106,000) were pledged for bills payable of the Group (note 25).

** As at 31 December 2025, the Group's construction in progress had a net carrying value of RMB203,521,000 (2024: RMB456,000), primarily comprising GPU servers.

Notes to Consolidated Financial Information

31 December 2025

14. INVESTMENT PROPERTIES

	2025	2024
	RMB'000	RMB'000
Carrying amount at 1 January	74,055	81,541
Transfers from construction in progress (note 13)	22,106	—
Impairment (note 6)	(13,240)	(5,155)
Depreciation provided during the year	(2,911)	(2,331)
	<hr/>	<hr/>
Carrying amount at 31 December	80,010	74,055

The Group's investment properties are measured using a cost model and depreciated to write off their costs net of estimated residual values over their estimated useful lives on a straight-line basis.

The commercial buildings with a net carrying value of RMB27,830,000 (2024: RMB39,580,000) are located in Guangzhou, the PRC, with a land use right period from 2023 to 2053. The office buildings with a net carrying value of RMB52,180,000 (2024: RMB34,475,000) are located in Guangzhou, the PRC, with a land use right period from 2023 to 2063.

These fair values of the Group's investment properties were approximately RMB27,830,000 for the commercial buildings as at 31 December 2025 (2024: RMB39,580,000) and RMB52,180,000 for the office buildings as at 31 December 2025 (2024: RMB34,475,000). Due to the downturn of the property development market in Guangzhou, the PRC, an impairment loss of RMB13,239,000 (2024: RMB5,155,000) was included in "Other expenses" in the consolidated statement of profit or loss. These fair values are determined based on the valuation conducted by APA Valuation Advisory Ltd, an independent valuer. Under the valuation models, a market-based approach has been adopted.

The market approach is based on the average market selling price of comparable properties in the same business type and currently being sold, with appropriate amendments.

The fair value measurement is based on the above properties' highest and best use, which does not differ from their actual use.

The investment properties are leased to third parties under operating leases, further summary details of which are included in note 15 to the financial statements.

The fair value of the investment properties is categorised into Level 3 valuations, i.e., fair value measured using significant unobservable inputs, as defined in HKFRS 13 Fair Value Measurement.

As at 31 December 2025, the Group's investment properties with a net carrying amount of RMB52,180,000 (2024: RMB34,475,000) were pledged for bills payable of the Group (note 25).

Notes to Consolidated Financial Information

31 December 2025

15. LEASES

The Group as a lessee

The Group has lease contracts for various items of office premises used in its operations. Leases of office premises generally have lease terms between 2 and 15 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

The Group also leased certain office premises under short-term (i.e., the lease term ends within 12 months of the date of initial application) lease arrangements. The Group has elected not to recognise right-of-use assets on these short-term lease contracts.

Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group. There is no lease contract that includes extension and termination options and variable lease payments.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Office premises RMB'000
As at 1 January 2024	347,846
Additions	16,170
Depreciation charge	(43,047)
Remeasurement due to lease modification	(99,764)
	<hr/>
As at 31 December 2024 and 1 January 2025	221,205
Additions	38,287
Depreciation charge	(39,836)
Remeasurement due to lease modification	(9,538)
	<hr/>
As at 31 December 2025	210,118

Notes to Consolidated Financial Information

31 December 2025

15. LEASES (Continued)

The Group as a lessee (Continued)

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	2025	2024
	RMB'000	RMB'000
Carrying amount at 1 January	44,202	192,794
New leases	38,287	16,170
Accretion of interest recognised during the year	2,202	6,545
Payments	(8,000)	(39,665)
Remeasurement due to lease modification	(8,517)	(131,642)
	68,174	44,202
Analysed into:		
Current portion	15,378	4,736
Non-current portion	52,796	39,466

The maturity analysis of lease liabilities is disclosed in note 38 to the financial statements.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2025	2024
	RMB'000	RMB'000
Interest on lease liabilities	2,202	6,545
Depreciation charge of right-of-use assets	39,836	43,047
Expense relating to short-term leases (included in cost of sales)	176	—
Loss/(gain) on lease modification	1,238	(28,351)
	43,452	21,241

(d) The total cash outflow for leases is disclosed in note 32(c) to the financial statements.

Notes to Consolidated Financial Information

31 December 2025

15. LEASES (Continued)

The Group as a lessor

The Group leases its investment properties (note 14) consisting of commercial buildings and office buildings in Chinese mainland under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was RMB2,338,000 (2024: RMB2,106,000), details of which are included in note 5 to the financial statements.

At 31 December 2025, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	2025	2024
	RMB'000	RMB'000
Within one year	2,338	2,106
After one year but within two years	2,314	2,106
After two years but within three years	1,738	2,106
After three years but within four years	280	1,312
	6,670	7,630

16. GOODWILL

	RMB'000
At 1 January 2024:	
Cost	42,499
Accumulated impairment	(14,582)
Net carrying amount	27,917
At 31 December 2024:	
Cost	42,499
Accumulated impairment	(42,499)
Net carrying amount	—
Cost at 1 January 2025, net of accumulated impairment	—
Impairment during the year	—
Cost and net carrying amount at 31 December 2025	—
At 31 December 2025:	
Cost	42,499
Accumulated impairment	(42,499)
Net carrying amount	—

16. GOODWILL (Continued)

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to cash-generating unit, namely the Guangzhou Chichi cash-generating unit and namely the Hainan Zhangwan cash-generating unit (collectively, the “**CGUs**”) for impairment testing.

Guangzhou Chichi CGU:

During the year ended 31 December 2025, management of the Group has provided impairment loss of on goodwill of RMB27,917,000 allocated to Guangzhou Chichi CGU. It was considered that the revenue and operating profit of Guangzhou Chichi CGU for the current year did not meet those budgeted primarily attributable to the impact of the economic downturn and intensifying competitive dynamics within the industry. These adverse effects are expected to remain for a longer period and the Group strategical focus on its core business of marketing and operating game products. The impairment loss recognised was included in “Other expenses” in the consolidated statement of profit or loss.

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17. OTHER INTANGIBLE ASSETS

	Computer software RMB'000	Domain names RMB'000	Game operation agreements RMB'000	Copyright RMB'000	Others RMB'000	Total RMB'000
31 December 2025						
Cost at 1 January 2025, net of accumulated amortisation	2,182	8,937	—	—	—	11,119
Additions	2,570	—	—	—	8,334	10,904
Amortisation provided during the year	(2,445)	(1,533)	—	—	—	(3,978)
At 31 December 2025	2,307	7,404	—	—	8,334	18,045
At 31 December 2025:						
Cost	6,167	15,330	12,000	60,000	8,334	101,831
Accumulated amortisation	(3,860)	(7,926)	(12,000)	(60,000)	—	(83,786)
Net carrying amount	2,307	7,404	—	—	8,334	18,045
31 December 2024						
At 1 January 2024:						
Cost	7,943	15,330	12,000	60,000	—	95,273
Accumulated amortisation	(3,160)	(4,860)	(12,000)	(60,000)	—	(80,020)
Net carrying amount	4,783	10,470	—	—	—	15,253
Cost at 1 January 2024, net of accumulated amortisation	4,783	10,470	—	—	—	15,253
Additions	1,020	—	—	—	—	1,020
Amortisation provided during the year	(3,621)	(1,533)	—	—	—	(5,154)
At 31 December 2024	2,182	8,937	—	—	—	11,119
At 31 December 2024 and at 1 January 2025:						
Cost	7,238	15,330	12,000	60,000	—	94,568
Accumulated amortisation	(5,056)	(6,393)	(12,000)	(60,000)	—	(83,449)
Net carrying amount	2,182	8,937	—	—	—	11,119

Notes to Consolidated Financial Information

31 December 2025

18. INVESTMENTS IN JOINT VENTURES

	2025 RMB'000	2024 RMB'000
Share of net assets	312,016	269,784
Goodwill on acquisition	8,667	7,000
Subtotal	320,683	276,784
Provision for impairment	(2,537)	(2,537)
Total	318,146	274,247

Particulars of the Group's material joint ventures are as follows:

Name	Particulars of registered capital held	Date and place of registration and business	Ownership interest	Percentage of Voting power	Profit sharing	Principal activities
Zhejiang Xuwan Technology Co., Ltd. (浙江旭玩科技有限公司)*	RMB500,000,000 as registered capital	5 July 2018 PRC/Chinese Mainland	40%	40%	48.78%	Technical services and development
Guangzhou Zeda New Culture and Creative Industry Development Co., Ltd. (廣州市澤達新文創產業發展有限公司)*	RMB280,000,000 as registered capital	7 April 2020 PRC/Chinese Mainland	26%	26%	29.4%	Real estate development, management and interactive entertainment product marketing business

The above investments are held through a consolidated affiliate entity of the Company. They are joint ventures of the Group as the decisions about the relevant activities of the entities require the unanimous consent of the shareholders.

* The Group invested in Zhejiang Xuwan Technology Co., Ltd. and Guangzhou Zeda New Culture and Creative Industry Development Co., Ltd. ("Zeda") in 2020.

* As at 31 December 2025, the Group's investment in Zeda was pledged to the Agricultural Bank of China to guarantee the bank borrowings of Zeda with the maximum guarantee amount of RMB405,000,000 (note 35).

Zeda acquired a land use right in 2020 for a period of 50 years and started the construction of properties in 2022. As at 31 December 2025, Zeda had a bank borrowing amount of RMB137,539,000 from the Agricultural Bank of China for the purpose of construction (2024: RMB84,235,000).

During the year, there was no impairment provided for the investment in Zeda by taking into account the fair value of the land (2024: Nil).

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31 December 2025

18. INVESTMENTS IN JOINT VENTURES (Continued)

Zhejiang Xuwan Technology Co., Ltd., which is considered a material joint venture of the Group, is accounted for using the equity method.

The following table illustrates the summarised financial information in respect of Zhejiang Xuwan Technology Co., Ltd. adjusted for any differences in accounting policies and reconciled to the carrying amount in the financial statements:

	2025	2024
	RMB'000	RMB'000
Current assets	269,233	155,856
Non-current assets	285,986	335,132
Current liabilities	(67,578)	(56,128)
	<hr/>	<hr/>
Net assets	487,641	434,860
	<hr/>	<hr/>
Reconciliation to the Group's interest in the joint venture:		
Group's share of net assets of the joint venture	237,871	212,125
	<hr/>	<hr/>
Goodwill on acquisition (less cumulative impairment)	—	—
Carrying amount of the investment	237,871	212,125
	<hr/>	<hr/>
	2025	2024
	RMB'000	RMB'000
Revenue	230,271	168,313
Profit for the year	22,506	23,889
Total comprehensive income for the year	17,775	22,696

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31 December 2025

18. INVESTMENTS IN JOINT VENTURES (Continued)

Guangzhou Zeda New Culture and Creative Industry Development Co., Ltd., which is considered a material joint venture of the Group, is accounted for using the equity method.

The following table illustrates the summarised financial information in respect of Guangzhou Zeda New Culture and Creative Industry Development Co., Ltd. adjusted for any differences in accounting policies and reconciled to the carrying amount in the consolidated financial statements:

	2025	2024
	RMB'000	RMB'000
Current assets	11,988	7,171
Non-current assets	373,438	306,696
Current liabilities	(29,518)	(54,417)
Non-current liabilities	(137,539)	(84,235)
	<hr/>	<hr/>
Net assets	218,369	175,215
	<hr/>	<hr/>
Reconciliation to the Group's interest in the joint venture:		
Group's share of net assets of the joint venture	64,205	45,556
Goodwill on acquisition (less cumulative impairment)	1,667	—
Carrying amount of the investment	65,872	45,556
	<hr/>	<hr/>
	2025	2024
	RMB'000	RMB'000
Loss for the year	(1,645)	(1,818)
Total comprehensive loss for the year	(1,645)	(1,818)

The following table illustrates the aggregate financial information of the Group's joint ventures that are not individually material:

	2025	2024
	RMB'000	RMB'000
Share of the joint ventures' (loss)/profit for the year	(1,949)	(268)
Aggregate carrying amount of the Group's investments in the joint ventures	14,403	16,566
	<hr/>	<hr/>

Notes to Consolidated Financial Information

31 December 2025

19. INVESTMENTS IN ASSOCIATES

	2025 RMB'000	2024 RMB'000
Share of net assets	580,265	176,240
Goodwill on acquisition	25	25
Subtotal	580,290	176,265
Provision for impairment	(972)	(972)
Total	579,318	175,293

Particulars of the material associate is as follows:

Name	Particulars of issued shares held	Place of incorporation/ registration and business	Percentage of ownership interest attributable to the Group	Principal activities
Jiaxing Xukai Enterprise Management Partnership (Limited partnership)(嘉興旭愷企業管理合夥企業(有限合夥)) (“Jiaxing Xukai”)	RMB559,920,000 as registered capital	10 May 2023 PRC/Chinese Mainland	42%	Technical services and development

The above investment is held through a consolidated affiliate entity of the Company.

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31 December 2025

19. INVESTMENTS IN ASSOCIATES (Continued)

Jiaxing Xukai Enterprise Management Partnership (Limited partnership), which is considered a material associate of the Group, is accounted for using the equity method.

The following table illustrates the summarised financial information in respect of Jiaxing Xukai Enterprise Management Partnership (Limited partnership) adjusted for any differences in accounting policies and reconciled to the carrying amount in the consolidated financial statements:

	2025	2024
	RMB'000	RMB'000
Current assets	1,050	1,046
Non-current assets	1,364,800	411,200
Current liabilities	—	(1)
	<hr/>	<hr/>
Net assets	1,365,850	412,245
	<hr/>	<hr/>
Reconciliation to the Group's interest in the associate:		
Proportion of the Group's ownership	42%	42%
Group's share of net assets of the associate, excluding goodwill	573,657	173,143
Carrying amount of the investment	573,657	173,143
	<hr/>	<hr/>
Loss for the year	4	—
Other comprehensive loss	806,880	(146,720)
Total comprehensive loss for the year	806,884	(146,720)
	<hr/>	<hr/>

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	2025	2024
	RMB'000	RMB'000
Share of the associates' profit/(loss) for the year	14,479	21,887
Aggregate carrying amount of the Group's investments in the associates	5,661	2,150
	<hr/>	<hr/>

Notes to Consolidated Financial Information

31 December 2025

20. TRADE RECEIVABLES

	2025	2024
	RMB'000	RMB'000
Trade receivables	225,626	240,682
Impairment	(4,348)	(3,488)
	<hr/>	<hr/>
Net carrying amount	221,278	237,194
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The Group's trade receivables mainly represent amounts receivable from third-party collaborated distribution platforms and online retail platforms. The credit period for collaborated distribution platforms is generally 30 to 180 days. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by the Group's management. In view of the aforementioned and the fact that the Group's trade receivables principally relate to diversified application distribution platforms, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivables balances. Trade receivables are non-interest-bearing.

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

	2025	2024
	RMB'000	RMB'000
Within 1 year	215,330	233,328
1 to 2 years	5,913	3,526
Over 2 years	35	340
	<hr/>	<hr/>
	221,278	237,194
	<hr/>	<hr/>

The movements in the loss allowance for impairment of trade receivables are as follows:

	2025	2024
	RMB'000	RMB'000
At beginning of year	3,488	4,315
Impairment losses, net (note 6)	860	(827)
	<hr/>	<hr/>
At end of year	4,348	3,488
	<hr/>	<hr/>

Notes to Consolidated Financial Information

31 December 2025

20. TRADE RECEIVABLES (Continued)

The Group applies the simplified approach to provide for expected credit losses under HKFRS 9, and the provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The Group used a calculation which reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Trade receivables for which the counterparties failed to make the demanded repayments are defaulted receivables. The Group has provided for 100% of the defaulted receivables during the years ended 31 December 2025 and 2024.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2025

	Amount RMB'000	Expected loss rate %	Impairment RMB'000
Defaulted receivables	1,925	100%	1,925
Other trade receivables aged:			
Current	199,646	—*	331
Past due for 6 months to 1.5 years	22,849	4%	964
Past due for 1.5 years to 2.5 years	154	49%	76
Past due for over 2.5 years	1,052	100%	1,052
	225,626		4,348

As at 31 December 2024

	Amount RMB'000	Expected loss rate %	Impairment RMB'000
Defaulted receivables	1,925	100%	1,925
Other trade receivables aged:			
Current	221,805	—*	143
Past due for 6 months to 1.5 years	15,388	3%	475
Past due for 1.5 years to 2.5 years	823	25%	204
Past due for over 2.5 years	741	100%	741
	240,682		3,488

* Less than 1%

Notes to Consolidated Financial Information

31 December 2025

21. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2025 RMB '000	2024 RMB '000
Non-current		
Deposits and other receivables	8,471	8,172
Less: Allowance for impairment	—	—
	8,471	8,172
Current		
Prepayment for marketing and promotion services	99,482	133,965
Deposits and other receivables	360,784	267,510
Prepayments to game developers	282,104	307,303
Undrawn deposits on third party payment channels	70,802	75,015
Deductible input VAT	148,566	130,456
Prepayments and prepaid expenses	227,511	3,466
Contract costs for self-owned games	14,317	14,538
	1,203,566	932,253
Less: Allowance for impairment	(275,395)	(155,752)
	928,171	776,501

The loans to employees provided by the Group bear interest at a rate of 4.75% p.a. and have been fully repaid in 2025.

An impairment analysis was performed at the end of the year. The Group has applied the general approach to provide for expected credit losses for non-trade other receivables under HKFRS 9. The Group considered the historical loss rate and adjusted it for forward-looking macroeconomic data in calculating the expected credit loss rate. The defaulted non-trade other receivables as at 31 December 2025 were RMB272,395,000 (2024: RMB155,752,000).

Notes to Consolidated Financial Information

31 December 2025

22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025	2024
	RMB'000	RMB'000
Listed equity investments, at fair value	1,549,827	430,534
Asset management products, at fair value	1,318,835	—
Others, at fair value	24,214	—
	<hr/> 2,892,876	430,534

The above listed equity investments were classified as financial assets at fair value through profit or loss as they were held for trading.

The above asset management products are comprised of listed company stock. It was mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

As at 31 December 2025, the Group's financial instrument amounting to RMB2,892,876,000 were unpledged. As at 31 December 2024, the Group's financial instrument amounting to RMB430,534,000 were unpledged.

Notes to Consolidated Financial Information

31 December 2025

23. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	2025	2024
	RMB'000	RMB'000
Cash and bank balances	1,765,937	3,116,714
Less: Current restricted cash	(605)	(33,983)
Non-current pledged time deposits	(636,965)	(560,770)
Current pledged time deposits	(427,581)	(1,615,554)
Non-pledged time deposits with original maturity of over one year	(82,831)	(77,022)
Non-pledged time deposits with original maturity of over three months and less than one year	(242,003)	(314,422)
	<hr/>	<hr/>
Cash and cash equivalents	375,952	514,963
Denominated in:		
RMB	179,103	176,270
USD	187,689	324,273
Others	9,160	14,420

As at 31 December 2025, restricted cash amounting to RMB500,000 (2024:RMB2,984,000), represented deposits held in designated bank accounts for pending litigations. As at 31 December 2025, restricted cash amounting to RMB105,000 (2024: RMB30,999,000), represented deposits held in designated bank accounts due to the alteration in the corporate legal person status and such restrictions subsequently lifted at January 2026.

As at 31 December 2025, pledged time deposits amounting to RMB1,064,546,000 (2024: RMB2,176,324,000) were restricted and pledged for discounted bills, bills payable and bank loans of the Group (note 25 and note 27).

The RMB is not freely convertible into other currencies, however, under Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

Notes to Consolidated Financial Information

31 December 2025

24. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the transaction dates, is as follows:

	2025	2024
	RMB'000	RMB'000
Within 1 year	342,476	417,121
1 to 2 years	89,449	47,759
2 to 3 years	8,745	9,071
Over 3 years	10,539	1,579
	451,209	475,530

The trade payables are non-interest-bearing and are normally settled on 1-year terms.

Included in the trade payable amounts of RMB429,760,000 (2024: RMB457,931,000) were payables to game developers as at 31 December 2025.

25. BILLS PAYABLE

	2025	2024
	RMB'000	RMB'000
Bills payable	1,303,815	1,530,095
	1,303,815	1,530,095

The bills payable are due for payment within 1 year and the Group bears finance costs at rates of 1.00% to 1.72% p.a. for the extended maturity date of 6 months.

Included in bills payable amounts of RMB601,331,000 and RMB443,714,000 were payables to game developers as at 31 December 2025 and 31 December 2024.

Included in bills payable amounts of RMB702,484,000 and RMB1,086,381,000 were payables for marketing and promotion services as at 31 December 2025 and 31 December 2024.

The time deposits, buildings and investment properties in total of RMB1,116,726,000 were pledged for bills payable as at 31 December 2025. The time deposits, buildings and investment properties in total of RMB2,032,736,000 were pledged for bills payable as at 31 December 2024.

Notes to Consolidated Financial Information

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26. OTHER PAYABLES AND ACCRUALS

	2025	2024
	RMB'000	RMB'000
Marketing and promotion services payables	179,740	156,557
Salaries and benefits payables	152,541	110,675
Other tax payables	40,967	38,704
Contract liabilities*	44,501	48,973
Other payables**	66,781	64,857
	484,530	419,766

Details of contract liabilities are as follows:

	2025	2024
	RMB'000	RMB'000
Advances received from the players of the self-owned games	44,501	48,973
	44,501	48,973

* Contract liabilities include advances received from the players of the self-owned games operated by the Group in 2025 and 2024.

** Other payables are non-interest-bearing and repayable on demand.

27. INTEREST-BEARING BANK AND OTHER BORROWINGS

	2025	2024
	RMB'000	RMB'000
Discounted bills	34,369	199,568
Discounted bills	34,369	199,568

The discounted bills bear interest at rates of 1.00% to 1.72% p.a. and repayable within 6 months.

The pledged deposits in total of RMB34,369,000 were pledged for discounted bills as at 31 December 2025. The pledged deposits in total of RMB200,169,000 were pledged for discounted bills as at 31 December 2024. Details are set out in note 22 and note 23 to the financial statements.

Notes to Consolidated Financial Information

31 December 2025

28. DEFERRED TAX

The movements in deferred tax liabilities and assets during the year are as follows:

Deferred tax liabilities

	2025			
	Right-of-use assets RMB'000	Investments measured at fair value through profit or loss RMB'000	Contract costs for self- owned games RMB'000	Total RMB'000
At 31 December 2025	31,961	698	3,634	36,293
Deferred tax charged/(credited) to the statement of profit or loss during the year (note 10)	15,109	340,432	(1,351)	354,190
Gross deferred tax liabilities at 31 December 2025	47,070	341,130	2,283	390,483

Deferred tax assets

	2025						
	Lease liabilities RMB'000	Impairment of assets RMB'000	Accrued liabilities RMB'000	Tax losses RMB'000	Investments measured at fair value through profit or loss RMB'000	Contract liabilities RMB'000	Total RMB'000
At 31 December 2025	33,252	39,622	—	25,112	43,587	12,243	153,816
Deferred tax credited/(charged) to the statement of profit or loss during the year (note 10)	16,252	10,173	—	(10,066)	(43,587)	(5,503)	(32,731)
Gross deferred tax assets at 31 December 2025	49,504	49,795	—	15,046	—	6,740	121,085

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31 December 2025

28. DEFERRED TAX (Continued)

Deferred tax liabilities

	Right-of-use assets RMB'000	2024 Investments measured at fair value through profit or loss RMB'000	Contract costs for self-owned games RMB'000	Total RMB'000
At 31 December 2024	61,806	—	7,739	69,545
Deferred tax charged/(credited) to the statement of profit or loss during the year (note 10)	(29,845)	698	(4,105)	(33,252)
Gross deferred tax liabilities at 31 December 2024	31,961	698	3,634	36,293

Deferred tax assets

	Lease liabilities RMB'000	Impairment of assets RMB'000	Accrued liabilities RMB'000	2024 Tax losses RMB'000	Investments measured at fair value through profit or loss RMB'000	Contract liabilities RMB'000	Total RMB'000
At 31 December 2024	69,499	7,994	763	35,972	43,280	21,349	178,857
Deferred tax credited/(charged) to the statement of profit or loss during the year (note 10)	(36,247)	31,628	(763)	(10,860)	307	(9,106)	(25,041)
Gross deferred tax assets at 31 December 2024	33,252	39,622	—	25,112	43,587	12,243	153,816

Notes to Consolidated Financial Information

31 December 2025

28. DEFERRED TAX (Continued)

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2025 RMB'000	2024 RMB'000
Net deferred tax liabilities/(assets) recognised in the consolidated statement of financial position	269,398	(117,523)

Deferred tax assets have not been recognised in respect of the following item:

	2025 RMB'000	2024 RMB'000
Tax losses	50,587	171,504
Deductible temporary differences	21,395	25,534
	71,982	197,038

All of the above tax losses arose in Chinese mainland and will expire in one to ten years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

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

Since the Group intends to permanently reinvest the earnings to further expand its businesses in the PRC after the Reorganisation, it does not intend to declare dividends to its immediate foreign holding entities in the foreseeable future. Accordingly, no deferred income tax liability on WHT was accrued as at 31 December 2025.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

Notes to Consolidated Financial Information

31 December 2025

29. SHARE CAPITAL AND TREASURY SHARES

Shares

	2025 RMB'000	2024 RMB'000
Issued and fully paid:		
534,439,918 (2024: 534,439,918) ordinary shares*	77	77

* As at 31 December 2025 and 2024, the total number of issued ordinary shares included 4,255,157 (2024: 9,189,445) shares held for the share option scheme, with a par value of RMB1,000 (2024: RMB1,000).

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	Share capital RMB'000
At 1 January 2025, 31 December 2025	534,439,918	77

30. SHARE OPTION SCHEME

The Company adopted the Pre-IPO Share Option Scheme (the “**Scheme**”) for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. Eligible participants of the Scheme include the Company’s directors, including independent non-executive directors, other employees of the Group, suppliers of goods or services to the Group, customers of the Group, the Company’s shareholders, and any non-controlling shareholder in the Company’s subsidiaries. The Scheme became effective on 4 November 2022 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of shares issuable under share options to service providers in the Scheme is limited to 3.39% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders’ approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company’s shares at the date of grant) in excess of HKD5 million, within any 12-month period, are subject to shareholders’ approval in advance in a general meeting.

The exercise period of the share options granted is ten years commencing from the date upon which the share options are deemed to be granted and accepted pursuant to the terms of the Pre-IPO Share Option Plan.

The exercise price of share options is determinable by the directors, but may not be less than the higher of (i) the Stock Exchange closing price of the Company’s shares on the date of offer of the share options; and (ii) the average Stock Exchange closing price of the Company’s shares for the five trading days immediately preceding the date of offer.

Share options do not confer rights on the holders to dividends or to vote at shareholders’ meetings.

The following share options were outstanding under the Scheme during the year:

	2025		2024	
	Weighted average exercise price USD	Number of options	Weighted average exercise price USD	Number of options
At 1 January	0.00002	9,189,445	0.00002	17,180,414
Granted during the year	0.00002	—	0.00002	—
Forfeited during the year	0.00002	(48,968)	0.00002	(606,959)
Exercised during the year	0.00002	(4,885,320)	—	(7,384,010)
At 31 December	0.00002	4,255,157	0.00002	9,189,445

Notes to Consolidated Financial Information

31 December 2025

30. SHARE OPTION SCHEME (Continued)

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

2025

Number of options	Exercise price* USD per share	Exercise period
954,898	0.00002	28/12/23 to 15/11/2032
954,898	0.00002	28/06/24 to 15/11/2032
954,898	0.00002	28/12/24 to 15/11/2032
954,898	0.00002	28/06/25 to 15/11/2032
15,464	0.00002	28/12/2023 to 15/03/2033
15,464	0.00002	28/06/2024 to 15/03/2033
15,464	0.00002	28/12/2024 to 15/03/2033
15,463	0.00002	28/06/2025 to 15/03/2033
2,577	0.00002	28/12/2023 to 30/03/2033
2,577	0.00002	28/06/2024 to 30/03/2033
2,577	0.00002	28/12/2024 to 30/03/2033
2,578	0.00002	28/06/2025 to 30/03/2033
41,881	0.00002	28/12/2023 to 30/06/2033
41,881	0.00002	28/06/2024 to 30/06/2033
41,881	0.00002	28/12/2024 to 30/06/2033
41,882	0.00002	28/06/2025 to 30/06/2033
10,309	0.00002	28/12/2023 to 31/07/2033
10,309	0.00002	28/06/2024 to 31/07/2033
10,309	0.00002	28/12/2024 to 31/07/2033
10,310	0.00002	28/06/2025 to 31/07/2033
38,660	0.00002	28/12/2023 to 06/09/2033
38,660	0.00002	28/06/2024 to 06/09/2033
38,660	0.00002	28/12/2024 to 06/09/2033
38,659	0.00002	28/06/2025 to 06/09/2033
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4,255,157		

Notes to Consolidated Financial Information

31 December 2025

30. SHARE OPTION SCHEME (Continued)

2024

Number of options	Exercise price* USD per share	Exercise period
954,901	0.00002	28/12/23 to 15/11/2032
954,901	0.00002	28/06/24 to 15/11/2032
3,422,039	0.00002	28/12/24 to 15/11/2032
3,422,040	0.00002	28/06/25 to 15/11/2032
15,464	0.00002	28/12/2023 to 15/03/2033
15,464	0.00002	28/06/2024 to 15/03/2033
15,464	0.00002	28/12/2024 to 15/03/2033
15,463	0.00002	28/06/2025 to 15/03/2033
2,577	0.00002	28/12/2023 to 30/03/2033
2,577	0.00002	28/06/2024 to 30/03/2033
2,577	0.00002	28/12/2024 to 30/03/2033
2,578	0.00002	28/06/2025 to 30/03/2033
41,881	0.00002	28/12/2023 to 30/06/2033
41,881	0.00002	28/06/2024 to 30/06/2033
41,881	0.00002	28/12/2024 to 30/06/2033
41,882	0.00002	28/06/2025 to 30/06/2033
10,309	0.00002	28/12/2023 to 31/07/2033
10,309	0.00002	28/06/2024 to 31/07/2033
10,309	0.00002	28/12/2024 to 31/07/2033
10,310	0.00002	28/06/2025 to 31/07/2033
38,660	0.00002	28/12/2023 to 06/09/2033
38,660	0.00002	28/06/2024 to 06/09/2033
38,660	0.00002	28/12/2024 to 06/09/2033
38,659	0.00002	28/06/2025 to 06/09/2033
<hr/>		
9,189,445		

* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

No share options granted during the year (No share options granted during the 2024). The Group recognised a share option expense of RMB18,634,000 (2024: RMB116,886,000) during the year ended 31 December 2025.

Notes to Consolidated Financial Information

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30. SHARE OPTION SCHEME *(Continued)*

At 31 December 2025, the Company had 4,255,157 share options outstanding under the Scheme.

At the date of approval of these financial statements, the Company had 4,255,157 (2024: 9,189,445) share options outstanding under the Scheme, which represented approximately 0.80% (2024: 1.72%) of the Company's shares in issue as at that date.

31. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 74 of this annual report.

(i) Capital reserve

The capital reserve of the Group represents 1) the difference between the par value of the shares issued and the consideration received; 2) the paid-up capital of the companies comprising the Group; and 3) the reserves resulting from transactions with non-controlling interests.

(ii) Statutory surplus reserve

In accordance with the Company Law of the PRC and the respective articles of association of the group companies, each of the companies that is domiciled in the PRC is required to allocate 10% of its profit after tax, as determined in accordance with PRC GAAP, to the statutory surplus reserve until the reserve reaches 50% of the registered capital. The transfer to this reserve must be made before the distribution of a dividend to shareholders.

The statutory surplus reserve is non-distributable except that in the event of liquidation and, subject to certain restrictions set out in the relevant PRC regulations, it can be used to offset accumulated losses or be capitalised as paid-up capital.

(iii) Share incentive reserve

The share incentive reserve comprises the reserve arising from equity-settled share awards granted, as further explained in note 30 to the financial statements.

(iv) Fair value reserve of financial assets at fair value through other comprehensive income

The fair value reserve of financial assets at fair value through other comprehensive income comprises the proportionate interest in the investee arising from changes in the investee's other comprehensive income.

Notes to Consolidated Financial Information

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32. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB38,287,000 (2024: RMB16,170,000) and RMB38,287,000 (2024: RMB16,170,000), respectively, in respect of lease arrangements for plant and equipment.

(b) Changes in liabilities arising from financing activities

2025

	Lease liabilities RMB'000	Bank loans RMB'000	Total RMB'000
At 1 January 2025	44,202	199,568	243,770
Proceeds from loans and borrowings	—	39,243	39,243
Repayment of loans and borrowings	—	(204,442)	(204,442)
Repayment of interest expenses	—	(11,913)	(11,913)
Additions to lease liabilities	38,287	11,913	50,200
Remeasurement due to lease modification	(8,517)	—	(8,517)
Accretion of interest expenses	(2,202)	—	(2,202)
Interest portion of lease payments	2,202	—	2,202
Principal portion of lease payments	(5,798)	—	(5,798)
	68,174	34,369	102,543

2024

	Lease liabilities RMB'000	Bank loans RMB'000	Total RMB'000
At 1 January 2024	192,794	213,743	406,537
Proceeds from loans and borrowings	—	199,568	199,568
Repayment of loans and borrowings	—	(213,336)	(213,336)
Repayment of interest expenses	—	(2,043)	(2,043)
Additions to lease liabilities	16,170	—	16,170
Remeasurement due to lease modification	(131,642)	—	(131,642)
Accretion of interest expenses	6,545	1,636	8,181
Interest portion of lease payments	(6,545)	—	(6,545)
Principal portion of lease payments	(33,120)	—	(33,120)
	44,202	199,568	243,770

Notes to Consolidated Financial Information

31 December 2025

32. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2025	2024
	RMB'000	RMB'000
Within operating activities	176	—
Within investing activities	—	—
Within financing activities	7,910	40,410
	8,086	40,410

33. PLEDGE OF ASSETS

Details of the Group's assets pledged for interest-bearing bank loans and other borrowings are included in note 13, note 14 and note 23 to the financial statements.

34. COMMITMENTS

The Group had the following contractual commitments at the end of the reporting period:

	2025	2024
	RMB'000	RMB'000
Contracted, but not provided for:		
Leasehold improvements	6,300	1,159
Capital contributions payable to investees	39,287	52,500
	45,587	53,659

35. RELATED PARTY TRANSACTIONS

Name of related parties	Relationship with the Group
Guangzhou Zeda New Culture and Creative Industry Development Co., Ltd. (“ Guangzhou Zeda ”)	Joint venture
Shanghai Yier Xiangduo Play Technology Co., Ltd. (“ Shanghai Yier Xiangduo Play ”)	Joint venture
Shanghai Dehan Technology Co., Ltd. (“ Shanghai Dehan ”)	Associate
Hangzhou Taofan Network Technology Co., Ltd. (“ Hangzhou Taofan ”)	Associate
Hangzhou Jiyue Network Technology Co., Ltd. (“ Hangzhou Jiyue ”)	Associate
Shaoxing Yuyin Technology Co., Ltd. (“ Shaoxing Yuyin ”)	Associate
Mr. Wu Xubo	Key management personnel
Ms. Wu Xuan	Key management personnel
Mr. Luo Xihu	Key management personnel
Ms. Liang Wenhong	Key management personnel

(a) The Group had the following transactions with related parties during the year:

	2025 RMB'000	2024 RMB'000
Operation services from Shanghai Dehan*	103,662	243,936
Operation services from Hangzhou Jiyue*	8,031	—
Operation services from Hangzhou Taofan	3,640	—
Operation services from Shaoxing Yuyin*	27	—
Operation services from Shanghai Yier Xiangduo Play*	1	—
	115,361	243,936

* The services provided to the related party were made according to the prices and terms agreed between the parties.

Notes to Consolidated Financial Information

31 December 2025

35. RELATED PARTY TRANSACTIONS (Continued)

(b) Other transactions with related parties:

As at 31 December 2025, the Group's investment in Zeda was pledged to the Agricultural Bank of China to guarantee the bank borrowings of Zeda with the maximum guarantee amount of RMB405,000,000 (2024: RMB405,000,000).

(c) Outstanding balances with related parties:

	2025 RMB'000	2024 RMB'000
Amounts due from related parties:		
Shanghai Dehan*	53,351	507
Shanghai Yier Xiangduo Play*	37,735	37,736
Hangzhou Taofan*	11,571	—
Hangzhou Jiyue*	10,342	—
Shaoxing Yuyin*	127	—
	113,126	38,243

* The amounts due from Shanghai Dehan, Shanghai Yier Xiangduo Play, Hangzhou Taofan, Hangzhou Jiyue and Shaoxing Yuyin are trade in nature.

(d) Compensation of key management personnel of the Group:

	2025 RMB'000	2024 RMB'000
Fees	1,800	1,800
Other emoluments:		
Salaries, allowances and benefits in kind	2,659	3,504
Discretionary bonuses	11,031	267
Share-based payments	5,043	28,795
Pension scheme contributions	31	63
	18,764	32,629
Subtotal	20,564	34,429

Further details of directors' and the chief executive's emoluments are included in note 8 to the financial statements.

Notes to Consolidated Financial Information

31 December 2025

36. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets

	2025	2024
	RMB'000	RMB'000
Financial assets at fair value through profit or loss	2,892,876	430,534
At amortised cost:		
Financial assets included in prepayments, other receivables and other assets	164,662	194,945
Cash and cash equivalents	375,952	514,963
Trade receivables	221,278	237,194
Pledged deposits	1,064,546	2,176,324
Restricted cash	605	33,983
Time deposits	242,003	314,422
	4,961,922	3,902,365

Financial liabilities at amortised cost

	2025	2024
	RMB'000	RMB'000
Interest-bearing bank and other borrowings	34,369	199,568
Trade payables	451,209	475,530
Bills payable	1,303,815	1,530,095
Financial liabilities included in other payables and accruals	246,522	216,839
Lease liabilities	68,174	44,202
	2,104,089	2,466,234

Notes to Consolidated Financial Information

31 December 2025

37. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

As at 31 December 2025, the fair values of the Group's financial assets and liabilities approximated to their respective carrying amounts.

Management has assessed that the carrying amounts of cash and cash equivalents, restricted cash, pledged deposits, amounts due from related parties, financial assets included in prepayments, other receivables and other assets, trade receivables, trade payables, bills payable, financial liabilities included in other payables and accruals, interest-bearing bank borrowings, and lease liabilities reasonably approximate to their fair values because these financial instruments are mostly short term in nature.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of lease liabilities, non-current portion of pledged deposits and non-current portion of financial assets included in prepayments, deposits and other receivables have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for lease liabilities as at 31 December 2025 were assessed to be insignificant.

The fair values of listed equity investments are based on quoted market prices.

The fair value of asset management products investments has been estimated using an asset-based valuation technique with reasonable and observable market prices as inputs.

The fair values of the equity/debt investments in unlisted companies have been estimated using the recent transaction method.

Notes to Consolidated Financial Information

31 December 2025

37. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 December 2025

	Fair value measurement using			Total RMB'000
	Quoted prices in	Significant	Significant	
	active markets	observable inputs	unobservable	
	(Level 1)	(Level 2)	inputs	
	RMB'000	RMB'000	(Level 3)	
	RMB'000	RMB'000	RMB'000	RMB'000
Listed equity investments, at fair value	1,549,827	—	—	1,549,827
Asset management products	—	1,318,835	—	1,318,835
Other	—	—	24,214	24,214

As at 31 December 2024

	Fair value measurement using			Total RMB'000
	Quoted prices in	Significant	Significant	
	active markets	observable inputs	unobservable	
	(Level 1)	(Level 2)	inputs	
	RMB'000	RMB'000	(Level 3)	
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets at fair value through profit or loss	430,534	—	—	430,534

Liabilities measured at fair value:

The Group did not have any financial liabilities measured at fair value as at 31 December 2025 (2024: Nil).

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2024: Nil).

Notes to Consolidated Financial Information

31 December 2025

37. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy (Continued)

Assets for which fair values are disclosed:

As at 31 December 2025

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Pledged deposits, non-current portion	—	636,965	—	636,965
Non-pledged time deposits with original maturity of over one year	—	82,831	—	82,831
	—	719,796	—	719,796

As at 31 December 2024

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Pledged deposits, non-current portion	—	560,770	—	560,770
Non-pledged time deposits with original maturity of over one year	—	77,022	—	77,022
	—	637,792	—	637,792

Notes to Consolidated Financial Information

31 December 2025

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise discounted bills, other interest-bearing loans, and cash and time deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has many other financial assets and liabilities such as trade receivables and trade and bills payable, which arise directly from its operations.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk and equity price risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December.

The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2025	12-month	Lifetime ECLs			Simplified approach	Total
	ECLs	Stage 1	Stage 2	Stage 3		
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables*	—	—	—	—	225,414	225,414
Financial assets included in prepayments, other receivables and other assets						
-Normal**	117,299	—	—	—	—	117,299
-Doubtful**	—	—	275,395	—	—	275,395
Pledged deposits	1,064,546	—	—	—	—	1,064,546
Restricted cash — Not yet past due	605	—	—	—	—	605
Time deposits	242,003	—	—	—	—	242,003
Cash and cash equivalents — Not yet past due	375,952	—	—	—	—	375,952
Amounts due from related parties	—	—	—	—	53,351	53,351
	1,800,405	—	275,395	—	278,765	2,354,565

Notes to Consolidated Financial Information

31 December 2025

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk (Continued)

Maximum exposure and year-end staging (Continued)

As at 31 December 2024	12-month		Lifetime ECLs		Total RMB'000
	ECLs				
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	
Trade receivables*	—	—	—	240,682	240,682
Financial assets included in prepayments, other receivables and other assets					
-Normal**	194,945	—	—	—	194,945
-Doubtful**	—	—	155,752	—	155,752
Pledged deposits	2,176,324	—	—	—	2,176,324
Restricted cash — Not yet past due	33,983	—	—	—	33,983
Time deposits	314,422	—	—	—	314,422
Cash and cash equivalents — Not yet past due	514,963	—	—	—	514,963
Amounts due from related parties	—	—	—	507	507
	3,234,637	—	155,752	241,189	3,631,578

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 20 to the financial statements.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.

Further quantitative data in respect of the Group’s exposure to credit risk arising from trade receivables are disclosed in note 20 to the financial statements.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by analysis by customer/counterparty, geographical region and by industry sector. The Group had certain concentrations of credit risk. As at 31 December 2025, 27.2% (2024: 27.0%) of the Group’s trade receivables were due from the Group’s largest debtor and 65.5% (2024: 65.2%) of the Group’s trade receivables were due from the Group’s five largest debtors.

Notes to Consolidated Financial Information

31 December 2025

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk

In the management of liquidity risk, the Group aims to maintain sufficient cash and cash equivalents.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of lease liabilities, interest-bearing bank and other borrowings, trade and bills payable and other payables.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

31 December 2025	On demand	Less than 3 months	3 to less than 12 months	1 to 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Lease liabilities	—	—	—	—	—	—
Interest-bearing bank and other borrowings	—	28,020	11,222	—	—	39,242
Trade payables	108,728	51,616	290,865	—	—	451,209
Bills payable	—	654,354	652,745	—	—	1,307,099
Other payables (excluding salaries and benefits payable, and other tax payables)	—	179,740	61,546	—	—	241,286
Total contractual undiscounted payments	108,728	913,730	1,016,378	—	—	2,038,836
31 December 2024	On demand	Less than 3 months	3 to less than 12 months	1 to 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Lease liabilities	—	3,055	4,819	40,169	—	48,043
Interest-bearing bank and other borrowings	—	151,701	48,468	—	—	200,169
Trade payables	58,409	134,960	282,161	—	—	475,530
Bills payable	—	754,541	779,422	—	—	1,533,963
Other payables (excluding salaries and benefits payable, and other tax payables)	—	156,557	62,934	—	—	219,491
Total contractual undiscounted payments	58,409	1,200,814	1,177,804	40,169	—	2,477,196

Notes to Consolidated Financial Information

31 December 2025

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Equity price risk

Equity price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of equity indices and the value of individual securities. The Group is exposed to equity price risk arising from individual equity investments included in financial assets at fair value through profit or loss (note 22).

The Group's listed investments are listed on the National Association of Securities Dealers Automated Quotation and the Shenzhen Stock Exchange, and are valued at quoted market prices at the end of the year.

The market equity indices for the following stock exchanges, at the close of business of the nearest trading day in the year to the end of the reporting period, and their respective highest and lowest points during the year were as follows:

	31 December 2025	High/low 2025
Shenzhen — A Share Index	13,525	13,807/7,908
U.S.A — NASDAQ Composite Index	23,242	23,901/15,588
	31 December 2024	High/low 2024
Shenzhen — A Share Index	10,415	11,864/7,684

The following table demonstrates the sensitivity to every 5% change in the fair values of the equity investments with all other variables held constant and before any impact on tax, based on their carrying amounts at the end of the reporting period.

	Carrying amount of equity investments RMB'000	Increase/ (decrease) in profit before tax RMB'000	Increase/ (decrease) in equity RMB'000
As at 31 December 2025/ Year ended 31 December 2025 Investments listed in Shenzhen	1,549,827	77,491	65,868
	Carrying amount of equity investments RMB'000	Increase/ (decrease) in profit before tax RMB'000	Increase/ (decrease) in equity RMB'000
As at 31 December 2024/ Year ended 31 December 2024 Investments listed in Shenzhen	430,534	21,527	16,145

Notes to Consolidated Financial Information

31 December 2025

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Capital management

The Group's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain the future development of business.

The directors of the Company review the asset-liability ratio, which is total assets divided by total liabilities, on a continuous basis, taking into account the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the raising of new debts as well as the redemption of the existing debts and manage the asset-liability ratio. The Group's overall strategy remained unchanged during the reporting period.

The asset-liability ratio as at the end of each reporting period is as follows:

	2025	2024
	RMB'000	RMB'000
Total assets	7,382,383	5,563,674
Total liabilities	3,097,158	3,140,609
Asset-liability ratio	42%	56%

39. EVENTS AFTER THE REPORTING PERIOD

No important events affecting the Company occurred since the Reporting Period and up to the date of this annual report.

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31 December 2025

40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS		
Property, plant and equipment	56	285
Other intangible assets	8,334	—
Right-of-use assets	187	1,306
Prepayment, deposits and other receivables	366	366
Pledged deposits	—	73,076
Investments in subsidiaries	397,769	379,136
	<hr/>	<hr/>
Total non-current assets	406,712	454,169
CURRENT ASSETS		
Prepayment, deposits and other receivables	94,359	—
Due from subsidiaries	—	395
Financial assets at fair value through profit or loss — current	23,115	—
Cash and cash equivalents	2,301	136,112
	<hr/>	<hr/>
Total current assets	119,775	136,507
CURRENT LIABILITIES		
Other payables and accruals	2,988	1,273
Due to subsidiaries	111,971	42,052
Lease liabilities	204	1,192
	<hr/>	<hr/>
Total current liabilities	115,163	44,517
NET CURRENT ASSETS		
	<hr/>	<hr/>
	4,612	91,990
TOTAL ASSETS LESS CURRENT LIABILITIES		
	<hr/>	<hr/>
	411,324	546,159
NON-CURRENT LIABILITIES		
Lease liabilities	—	200
Total non-current liabilities	—	200
	<hr/>	<hr/>
Net assets	411,324	545,959
EQUITY		
Share capital	77	77
Treasury shares	(114,804)	(1)
Reserves	526,051	545,883
	<hr/>	<hr/>
Total equity	411,324	545,959
	<hr/>	<hr/>

Notes to Consolidated Financial Information

31 December 2025

40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

A summary of the Company's reserves is as follows:

	Share capital RMB'000	Treasury shares RMB'000	Capital reserve RMB'000	Share incentive reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
Balance at 1 January 2024	77	(3)	210,376	262,251	(41,535)	431,166
Total comprehensive income for the year	—	—	—	—	(2,095)	(2,095)
Equity-settled share option arrangements	—	2	—	116,886	—	116,888
At 31 December 2024 and 1 January 2025	77	(1)	210,376	379,137	(43,630)	545,959
Total comprehensive income for the year	—	—	—	—	(38,466)	(38,466)
Shares repurchased	—	(114,804)	—	—	—	(114,804)
Shares issued upon exercise of share options	—	1	—	—	—	1
Equity-settled share option arrangements	—	1	—	18,634	—	18,635
At 31 December 2025	77	(114,804)	210,376	397,771	(82,096)	411,324

The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payments in note 2.4 to the financial statements. The amount will either be transferred to share capital when the related options are exercised, or be transferred to retained profits should the related options expire or be forfeited.

41. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 27 March 2026.

Definitions

“AI”	Artificial Intelligence
“AIGC”	the abbreviation for “Artificial Intelligence Generated Content”, refers to the contents generated by using artificial intelligence technology, including images, texts, audio, and videos
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors of the Company
“Century Huatong”	Zhejiang Century Huatong Group Co., Ltd. (浙江世紀華通集團股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002602)
“China” or “the PRC”	the People’s Republic of China, and for the purposes of this annual report only, except where the context requires otherwise, references to China or the PRC exclude Taiwan and the special administrative regions of Hong Kong and Macau
“Company” or “our Company”	Tanwan Inc. (贪玩), an exempted limited liability company incorporated in the Cayman Islands on March 18, 2021
“Contractual Arrangements”	the series of contractual arrangements entered into by Guangzhou Zhongxu Future Technology Co., Ltd. (廣州中旭未來科技有限公司), an indirect wholly-owned subsidiary of our Company, Jiangxi Tanwan, and the registered shareholders of Jiangxi Tanwan, details of which have been set forth under the section headed “Contractual Arrangements” in the Prospectus
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules, and unless the context otherwise requires, refers to Mr. WU Xubo, WXB BVI 1, WXB BVI 2 and WXB Holdco
“Convertible Bonds”	the Company’s HK\$468,000,000 zero coupon convertible bonds due 2027
“Corporate Governance Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“Director(s)”	director(s) of the Company
“ESOP BVIs”	collectively, GLORIOUS TYCOON LIMITED, WxScarlett Ventures Limited and WxDR Ventures Limited, which hold the relevant issued Shares on trust for the Pre-IPO Share Option Plan
“FVTPL”	fair value through profit or loss
“Global Offering”	the offer for subscription of the shares as described in the Prospectus
“Group”, “our Group”, “the Group”, “we”, “us”, or “our”	the Company, its subsidiaries and the PRC Operating Entities from time to time, and where the context requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
“HK\$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards

Definitions

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IP”	Intellectual Property
“Jiangxi Tanwan”	Jiangxi Tanwan Information Technology Co., Ltd. (江西贪玩信息技術有限公司), a limited liability company established in the PRC on May 21, 2015, one of the PRC Operating Entities controlled by our Company through the Contractual Arrangements
“KOL(s)”	key opinion leader(s)
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Date”	September 28, 2023, being the date on which dealings in the Shares first commence on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange
“MMORPG”	massively multiplayer online role-playing games
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“Moore Threads”	Moore Threads Technology Co. Ltd. (摩爾線程智能科技(北京)股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688795)
“PC”	personal computer
“PRC Operating Entities”	the entities controlled by our Group through the Contractual Arrangements, namely Jiangxi Tanwan and its subsidiaries
“Pre-IPO Share Option Plan”	the pre-IPO share option plan of our Company as adopted on November 4, 2022, a summary of its principal terms is set out in the section headed “Statutory and General Information — D. Pre-IPO Share Option Plan” in Appendix IV to the Prospectus
“Prospectus”	the prospectus issued by the Company on September 18, 2023
“R&D”	research and development
“RMB”	Renminbi yuan, the lawful currency of the PRC
“Reporting Period”	For the year ended December 31, 2025
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time

Definitions

“Share(s)”	ordinary share(s) in the share capital of the Company with nominal value of US\$0.00002 each
“Shareholder(s)”	shareholder(s) of the Company
“SLG”	simulation games, a genre of games that allows players to control characters and attempt to emulate various activities from real life in the game format
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary” or “subsidiaries”	has the meaning ascribed to it in section 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“US dollars” or “US\$”	United States dollars, the lawful currency of the United States
“WXB BVI 1”	WxLand Holding Limited, a business company incorporated in the BVI with limited liability on March 8, 2021, a wholly-owned subsidiary of Mr. WU Xubo, and one of our Controlling Shareholders
“WXB BVI 2”	WxLand International Ltd, a business company incorporated in the BVI with limited liability on January 4, 2022, a company owned by WXB BVI 1 as to 50.0%, and WXB Holdco as to 50.0%, and one of our Controlling Shareholders
“WXB Holdco”	WxLand Limited, a business company incorporated in the BVI with limited liability on September 26, 2022, which is wholly-owned by WxLand Trust, a discretionary trust established by Mr. WU Xubo as the settlor on September 22, 2022, and one of our Controlling Shareholders
“%”	percentage

