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友誼時光
F R I E N D T I M E S

FriendTimes Inc.

友誼時光股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 6820)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

The Board is pleased to announce the audited consolidated results of the Group for the year ended 31 December 2025 (the “**Annual Results**”) together with comparative figures for the corresponding period in 2024, which have been prepared in accordance with HKFRS Accounting Standards.

FINANCIAL PERFORMANCE SUMMARY

	Year ended 31 December		
	2025	2024	Changes
	RMB'000	RMB'000	%
Revenue	1,248,103	1,162,786	7.3%
Gross profit	911,314	813,522	12.0%
Profit/(loss) before taxation	96,279	(35,834)	368.7%
Profit/(loss) for the year	93,165	(48,856)	290.7%
Adjusted profit/(loss) for the year*	96,742	(42,842)	325.8%

* Adjusted profit/(loss) for the year represents profit/(loss) for the year excluding share-based remuneration expenses. HKFRS Accounting Standards does not define adjusted profit/(loss) for the year and therefore it may not be comparable to similar indicators presented by other listed companies.

The Board proposed the payment of a final dividend of HK2 cents per ordinary Share for the year ended 31 December 2025.

CHAIRMAN’S STATEMENT

As a leading mobile online game manufacturer and operator in China, FriendTimes has been focusing on content and quality products, adhering to the mission of “Let Culture Create Value”, making games as a new driver of culture, expanding our global strategic map, further consolidating its position as a leader in the female-oriented mobile game segment, and actively exploring the domain of general-user and mini-games.

In 2025, with the determination of “breaking the stalemate” and through the joint efforts of all staff, FriendTimes achieved a turnaround in annual results and returned to profitability. Since our inception in the cultural and creative industry more than a decade ago, the core management team has always stayed at the forefront, steering the Company with keen industry insight and accurately seizing market opportunities. Relying on solid talent reserves and a scientific management system, we have responded rapidly to every industry change and promoted the continuous growth of the enterprise with steady steps. At the same time, we attach great importance to the construction of talent echelons. By continuously improving the promotion mechanism, compensation system, and performance incentives, we fully stimulate the enthusiasm and creativity of employees. We are committed to building a composite team that is “capable of fighting and winning, daring to struggle and innovate, and highly collaborative”, enabling it to possess both the technical depth for intensive cultivation in professional fields and the collaborative breadth to break through cross-domain functional barriers, providing a solid guarantee for the long-term development of the enterprise.

FriendTimes deepened its product matrix and enhanced its long-term operational strength for diversified products, launching a variety of quality games covering ancient-style female-oriented products, modern female-oriented products, and creative games, comprehensively satisfying the entertainment requirements across different user demographics. With products such as Promise of Lingyun (凌雲諾), Twist of the Fate (浮生憶玲瓏), and Fate of the Empress (浮生為卿歌), we have consolidated our leading advantage in the ancient-style female-oriented track through immersive storytelling, national aesthetics, and innovative interaction mechanisms, building differentiated competitiveness. Modern-themed works such as A Story of Lala’s: Rising Star (杜拉拉升職記) and Bloom Reverie (花與緋想) focus on the modern life scenes of women, accurately targeting the interest demographics of modern female players with distinct metropolitan symbols and fashionable expressions, further expanding the thematic boundaries of the female-oriented market. Creative products such as Ink Sword: Jianghu (墨劍江湖) and Culinary Chaos (暴吵萌廚) create brand-new immersive experiences for players through differentiated gameplay design and unique stylized expressions, continuously enriching the diversified charm of the product line. Meanwhile, several lightweight mini-games, relying on fast-paced gameplay and IP-based content, cut into fragmented entertainment scenarios, achieving a dual improvement in user scale and brand influence, and solidifying the Company’s comprehensive competitiveness in the cultural and creative industry.

FriendTimes has always regarded promoting Chinese culture as its mission. By adhering to the concept of “digitalization empowers culture”, we not only gaze at the historical echoes of intangible cultural heritage treasures such as Suzhou gardens, Kunqu opera, and Suzhou embroidery, but also portray the spirit of perseverance and aspiration in the new era with delicate strokes. From intangible heritage embodied in traditional craftsmanship to workplace stories brought to life on screen, we connect the profound heritage and era vitality of Chinese culture through various digital carriers, allowing culture to glow with new life in the digital world. The Korean version of A Story of Lala’s: Rising Star (杜拉拉升職記) brings modern workplace ecology and female growth stories to overseas markets, showing the charm of contemporary women in a light and engaging manner and vividly conveying the Chinese style of the new era. With the innovative interpretation of Jiangnan garden aesthetics and traditional opera culture, Twist of the Fate (浮生憶玲瓏) was selected as one of the “National Cultural Export Key Projects”, continuously showing the essence of traditional Chinese culture in overseas markets. The Company was also recognized as a “2025-2026 National Cultural Export Key Enterprise”. Relying on years of experience in overseas expansion, we adhere to localized strategies tailored to local conditions, allowing classical oriental aesthetics and new era stories to shine together through creative marketing and refined operations, and promoting games as a new engine for cultural exchange.

FriendTimes consistently adheres to empowering creation with technology and reshaping experience with intelligence, actively advancing the deep integration of games with AI and building an AI application system covering the entire process of research and development, distribution, and operations. The Company continued to deepen the technology layout around four core directions: platform-based tool development, data asset accumulation, intelligent agent innovation, and AI-native gameplay experiment. We established an AI tool matrix covering art, programming, copywriting, translation, and audio, and promoted the standardized reuse of creative experience through the integration and accumulation of knowledge and databases. In business scenarios such as automated testing, player behavior analysis, intelligent distribution, intelligent customer service, and personalized content generation, we achieved deep empowerment of AI technology, and actively explored innovative gameplay such as humanoid intelligent NPCs and AI-driven level interaction, creating a cutting-edge interaction form of “AI + games”. In the future, FriendTimes will adhere to technology leadership and innovation drive, keep up with the trend of industry change, strengthen the construction of compliance capabilities, ensure the normalization and safety of technology application, and make AI technology the core drive for forging global product competitiveness.

FriendTimes maintains an open mind to respond to industrial technological changes, empowers business innovation with investment, and explores the strategic value of hard technology to inject new momentum into the sustainable development of the enterprise. Faced with the rapid iteration of global artificial intelligence technology and industry, the Company keeps pace with technological innovation and has directly or indirectly invested in several companies in the AI field. For example, we recently led the angel round investment of Shanghai Novacore Technology Co., Ltd. (上海深穹星核科技有限公司) (“**Novacore**”) to accelerate its technology iteration in the field of ultra-high simulation human faces and promote the commercial landing of AI companion scenarios. Novacore focuses on the integrated research and development of “intent understanding” big models and ultra-simulation human faces, and has made breakthroughs in real-time dialogue interaction, subtle emotion recognition, and “fast and slow brain” architecture, striving to achieve the continuous evolution of intelligent agents in interaction. Starting from capital cooperation, the two parties will carry out deep synergy around emotional companionship and interactive experience, and jointly explore the innovative application of embodied intelligence in the field of entertainment technology.

FriendTimes actively fulfills corporate social responsibility and gives back to society through practical actions. In terms of protecting minors, in strict compliance with relevant national policies and regulations, the Company continues to strengthen prevention, in-process monitoring, and post-management, and increases the governance of the game content ecology to effectively maintain a healthy and clear game environment. Regarding user information security, the Company continuously improves the data protection and digitalization management system. It has passed the international ISO/IEC 27001 information security management system standard certification, ensuring the security of users’ personal information through systematic means. At the same time, the Company has long been committed to public welfare undertakings, supporting the development of education in remote areas. It has successively donated books, computers, and other learning materials to schools in Sichuan Zhaojue, Shaanxi Yan’an, Guizhou, Inner Mongolia, and other regions. We also actively participated in rural public welfare and agricultural assistance activities in Yan’an, promoting rural revitalization through consumption support. By implementing multi-dimensional measures, the Company fulfills its corporate citizenship responsibilities and delivers positive social values.

In the coming year, FriendTimes will prioritize systematic development as its core strategy, refining its project lifecycle management system to promote refined operations at key nodes, quantifiable standards, standardized processes, and data-driven decision-making, so as to achieve a fundamental transition from experience-driven to system-driven management and comprehensively enhance management efficiency. We will focus on building a strategic synergy system between distribution and research and development, whereby the distribution arm keenly captures industry hotspots and formulates forward-looking strategies, while the research and development arm establishes a rapid response mechanism to ensure that trend insights are efficiently transformed into product competitiveness. Meanwhile, AI serves as a core strategic support for business growth. We will continue to deepen the breadth and depth of AI applications, achieving breakthroughs in key areas such as platform-level innovative applications, intelligent distribution optimization, game performance enhancement, and development toolchain iteration. This will position technological innovation as the core engine driving our entire business ecosystem.

Lastly, on behalf of the Board, I would like to take this opportunity to thank the management members and all staff of the Group for their hard work over the past year. I would also like to extend my sincere gratitude to our Shareholders, business partners and stakeholders for their continued support, and wish for continuous support in the future.

Jiang Xiaohuang
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

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

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

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

Performance Review

For the year ended 31 December 2025, the Group's total revenue was approximately RMB1,248.1 million, increasing by approximately 7.3% as compared to the corresponding period of last year; the profit for the year was approximately RMB93.2 million, turning from loss to profit and increasing by approximately 290.7% as compared to the corresponding period of last year; the adjusted profit for the year was approximately RMB96.7 million, turning from loss to profit and increasing by approximately 325.8% as compared to the corresponding period of last year.

The growth in revenue of the Group during the Reporting Period was mainly due to the following reasons: (1) the continuous and steady contribution from existing game products, among which A Story of Lala's: Rising Star (杜拉拉升職記), Promise of Lingyun (凌雲諾), and the Legend of Empress (熹妃傳) delivered a prominent performance; and (2) positive progress made in the exploration of new tracks.

The turning from loss to profit of the Group during the Reporting Period was mainly due to the following reasons: (1) the increase in the overall revenue scale; (2) the increase in the proportion of revenue from high-gross-profit channels, which drove the growth in gross profit margin; (3) the Group's continuous optimization of operational efficiency, through which the research and development expenses ratio and sales expenses ratio were effectively controlled by refined cost and expense management; and (4) the in-depth application of AI in the entire process including product initiation, content planning, research and development testing, distribution and operation, and user acquisition, which improved work efficiency.

Business Review

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

After years of systematic planning and research and development accumulation in the early stage, the Group has achieved breakthroughs in its product categories. In 2025, we observed significant changes in revenue distribution across categories: ancient-style female-oriented products accounted for 64.3% of revenue by virtue of a deep user base and cultural resonance; modern female-oriented products accounted for 31.0%, representing a year-on-year increase of 331.1%, demonstrating the Company's expansion capabilities and content innovation flexibility in modern themes; and creative products accounted for 4.7%, injecting new momentum into the Company's future growth. Recently, several games delivered a stellar performance, with Bloom Reverie (花與緋想), Ink Sword Jianghu (墨劍江湖) and A Story of Lala's: Rising Star (杜拉拉升職記) all entering the TOP 100 of the WeChat mini-game best-seller list, among which A Story of Lala's: Rising Star (杜拉拉升職記) entered the TOP 10 of the Douyin mini-game best-seller list and Ink Sword Jianghu (墨劍江湖) ranked among the TOP 50 of the WeChat Mini-Game and Douyin mini-game best-seller list, fully demonstrating the Company's breakthrough in diversified categories and market recognition.

By consistently persisting in and deepening the long-term operational strategy, the Group dynamically keeps abreast of user requirements to frequently iterate one version after another, update contents, and launch operational activities and IP collaborations. It also continuously implements micro-innovations in retention campaigns by deeply integrating IP highlights, so as to provide players with detailed and comprehensive long-term services, revitalizing product vitality. In terms of global layout, the Group implements differentiated and localized game contents and marketing strategies tailored to the characteristics of overseas users in different regions, continuously enhancing the attraction and retention of local players. Many of our products have built extensive reputations in regions such as Hong Kong, Macau, and Taiwan of the PRC, South Korea, Japan, Southeast Asia, and North America. During the Reporting Period, the Group further solidified its long-term operational strengths. Several products that have been online for years maintained robust vitality and revenue performance, among which the Legend of Empress (熹妃傳) held its tenth anniversary celebration in June 2025, further validating the enduring value of the Company’s quality IPs.

The Group has adopted an “AI + Games” core strategy, whereby driving industrial upgrading and innovation in player experience through technological advancements. In pursuit of our objective of “Creation Empowered with Intelligent Technology Reshapes Gaming Experiences”, we emphasize a dual-drive approach through technological research and development and practical application scenarios, so as to build a full-link AI application ecosystem that covers research and development, distribution, operations, and corporate management. Our efforts are concentrated on four key areas: platform-based tool development, data asset accumulation, intelligent agent innovation, and AI-native gameplay experiment, achieving systematic empowerment various stages such as product initiation, content planning, research, development and testing, distribution & operation, and advertising & user acquisition. At the same time, the Group actively embraces the domestic operating system ecosystem, and several of its games have completed the development of native apps for Huawei’s HarmonyOS, officially joining the HarmonyOS ecosystem. Twist of the Fate (浮生憶玲瓏) and Culinary Chaos (暴吵萌廚) were showcased at Huawei HDC 2025, where we explore more technological application scenarios and possibilities for collaborative innovation.

Ancient-style Female-oriented



Since its launch on 20 January 2022, the Promise of Lingyun (凌云诺) has seamlessly blended classical essence with modern aesthetics through its innovative Chinese-style artistry. Through Chinese-style featured gameplay such as glamorous costume, manor creation and social interaction by means of poetry and painting, as well as the leisure details of floral art, tea whisking, drinking games and mahjong-styled games, the game unfolds a vivid and immersive scroll for players to both journey through and reside in, thereby allowing the players to enjoy the remastered pictures of ancient Chinese lifestyles centuries ago. In 2025, the game continued its dedicated craftsmanship by introducing diverse content centered around companion character development system, pet evolution system, and mount evolution system. Meanwhile, the mini-game version of the Promise of Lingyun (凌云诺) was launched, presenting the charm of Oriental aesthetics in a more lightweight manner, allowing players to dive into such a Chinese-style journey during their spare moments. From ancient-style daily life to cloud-based leisure, the Promise of Lingyun (凌云诺) invites players to wander through an evergreen Chinese-inspired world through continuous innovative operations, bridging the ages for a serene journey back through a thousand years of time.



The Group has meticulously developed its “Fate” series IP and has launched two flagship ancient-style female-oriented products, namely *Twist of the Fate* (浮生憶玲瓏) and the *Fate of the Empress* (浮生為卿歌), continuing to uphold their premier position in the category and delivering a stable revenue contribution to the Group. The *Twist of the Fate* (浮生憶玲瓏) was launched for public beta on 2 January 2024. Featuring the dual-core gameplay of “Love & Mystery”, it integrates innovative mechanisms such as deciphering clues, collecting adventures, and unlocking multiple identities to build an immersive open world for players. The game deeply draws on traditional Chinese cultural elements and meticulously carves out a Chinese-style aesthetic vision, showcasing the charm of Jiangnan water towns through its breathtaking scenery. The *Twist of the Fate* (浮生憶玲瓏) has been launched in Hong Kong, Macau, and Taiwan of the PRC, South Korea, North America, and Southeast Asia, and has been selected as one of the “National Cultural Export Key Projects”. Since its launch on 31 December 2019, the *Fate of the Empress* (浮生為卿歌) has successively released in various regions including Hong Kong, Macau, and Taiwan of the PRC, South Korea, Japan, North America, and Southeast Asia, in addition to Chinese Mainland. It was also selected as one of the “National Cultural Export Key Projects” and one of the “International Cooperation Key Projects” by the Ministry of Culture and Tourism under the “Belt and Road” Initiative. Furthermore, it has been entered with the collection certificate into the Game IP Pavilion of the China Audio-video and Digital Publishing Association.

Female-oriented Modern Style



A Story of Lala's: Rising Star (杜拉拉升職記), a female-oriented workplace mobile game, incorporates gameplay modes such as job promotion, dressing up, and leisure activities, in combination with lightweight content such as the vacation and travel mode and the shopping spree mode, outlining a vivid picture of the growth and lifestyle of the new generation of professionals in a fashionable metropolitan setting. Since its launch, the mini-game version has delivered particularly outstanding performances, evidenced by its entry into the Top 10 best-selling list of Douyin mini-games and the Top 50 best-selling list of WeChat mini-games. With its agile approach to metropolitan storytelling, it has reached a broader user demographics. In overseas markets, A Story of Lala's: Rising Star (杜拉拉升職記) benefited from our in-depth localization strategy, successfully attracting a large player base in South Korea and peaking at No. 22 of South Korea's iOS Best-selling Games, demonstrating strong cross-cultural appeal.

In 2025, A Story of Lala's: Rising Star (杜拉拉升職記) continued to release vitality through product iterations and cross-border integration. The game rolled out a series of content updates centered around new gameplay, fashion collections, companions, vehicle systems, and diverse travel scenarios, constantly broadening the narrative boundaries and imaginative space of the metropolitan workplace. Meanwhile, the game utilized collaborations as a medium to paint a brilliant picture of IP convergence within the Group. In June, the game joined forces with the Legend of Empress (熹妃傳) to pair the workplace elite Lala with the palace-ruling Empress Xi (熹妃). Through the interweaving of exclusive gameplay and items, they jointly celebrated the 10th anniversary of the Legend of Empress (熹妃傳), activating a cross-temporal resonance among fans. In September, a crossover collaboration was launched for the kitchen party game Culinary Chaos (暴吵萌廚), bringing players a fresh and entertaining gameplay experience that blends strategic elements with creative content. In December, a deep integration with the Fate of the Empress (浮生為卿歌) took place, where the sleek sophistication of the modern workplace echoed the timeless grace of classical palaces,

culminating in a glamorous tapestry of style and aspiration. From career advancement to city strolling, and from the fusion of ancient and modern to the collision of styles, A Story of Lala's: Rising Star (杜拉拉升職記) empowers every player to script their own distinctive metropolitan chapter.



The enchanting merge-puzzle mobile game Bloom Reverie (花與緋想) was officially launched across all platforms on 20 January 2026. Using blossoms as a bridge, the game invites players to embark on a fantastic journey across time and space. Within a mystical floral realm nestled between dimensions, players become the curators of their own gardens, cultivating exotic and wondrous plants through light-hearted synthesis gameplay and freely decorating their own secret sanctuary. As flowers bloom and fade, they will encounter uniquely captivating destined partners and unlock immersive romantic bonds. The game seamlessly intertwines the relaxed cadence of merge-and-management gameplay with the dreamlike narratives of female-oriented romance. With a gentle tap, players can trigger exclusive character voice lines. In a healing ambiance, the untold heart of the voyager gradually come to light. From treasure merging to garden designing and from heart-fluttering moments to the intertwined destinies, Bloom Reverie (花與緋想) weaves a romantic tale of love and boundless growth. Since its launch, the game has achieved a peak DAU count of 500,000.

Creativity Products



Launched on 19 July 2024, the Ink Sword: Jianghu (墨劍江湖) is a mobile game which focuses on a poetic quest for martial arts, and a 2.5D ink-wash style RPG game set in a Chinese-style fictional universe, featuring the classic wuxia (武俠) culture as its core. By employing meticulous fine-brush and freehand painting techniques, the game outlines the spiritual essence of landscapes, as well as the vibrancy of towns and the martial world. Built on various martial arts genres, the game cleverly integrates the essence of traditional martial arts with modern game aesthetics to create a world of adventure, retribution, and heroism, bringing players an immersive swordsman experience. The Ink Sword: Jianghu (墨劍江湖) has continuously expanded its content through its version iterations, successively launching gameplay such as the Tiangong Contest (天工爭鬪) event, Tiangong Legendary Beast (天工神獸) system, and Ruiyin (瑞印) system, allowing players to experience a more exciting martial arts life in the game. Recently, its mini-game version has delivered outstanding performances since its launch, breaking into the Top 50 best-selling list of WeChat mini-games and the Top 50 Popular Mini-games of Douyin.



Culinary Chaos (暴吵萌廚) was launched across all platforms on 28 May 2025, as a real-time chaotic couch co-op cooking mobile game focusing on multi-player cooperation in cooking esports. Players will play as “adorable chefs (小萌廚)” with exceptional culinary skills, and take on the intensely exhilarating cooking challenges through teamwork in a highly simulated kitchen environment. The game collaborated with the iconic childhood snack “Want Want Mini Milk Biscuits (旺仔小饅頭)” and China Academy of Art to bring joint content on the first day of its public beta. Under the theme of “In the Name of Culinary”, the game expanded its collaborations across various industries with over 30 renowned consumer brands, including Weilong Latiao (衛龍辣條), Juwei Duck Neck (絕味鴨脖), and Hefu-Noodle (和府撈麵). Culinary Chaos (暴吵萌廚) has continued to enrich its gaming content through seasonal updates, having successively launched five seasons, namely “Street Food Paradise (人間煙火)”, “Forest of Elves (精靈之森)”, “The Story of Lanruo (緣起蘭若)”, “Candy Wonderland (甜心奇境)”, and “Snowy Feast (雪國盛宴)”. During the period, the game engaged in cross-industry cooperation with Ele.me (餓了麼). In December 2025, the game launched a collaboration with the national-level animation IP “Pleasant Goat and Big Big Wolf (喜羊羊與灰太狼)”, introducing limited-edition character skins such as Pleasant Goat (喜羊羊), Big Big Wolf (灰太狼), and Tibbie (美羊羊), as well as the “Vibrant Goat Village (活力羊村)” themed decorations, allowing the partners of the green pastures (青青草原) to transform into culinary experts and accompany players through challenges. In addition, the game introduced rich social gameplay modes, such as Duo Ranked Battles (雙人排位賽), God of Cookery Tournament (廚神巔峰賽), Culinary Chaos Networking (萌圈交友), and Lobby Interaction (廣場互動), continuously expanding the interaction dimensions among players, with peak DAU reaching the million-level scale.

SHAREHOLDER RETURNS

In the current year, the Board proposed the payment of a final dividend of HK2 cents per Share to give back to the Shareholders for their trust and long-term companionship. Since its listing, the Group has distributed an aggregate cash dividend of over RMB790 million to its Shareholders, significantly exceeding the net proceeds of RMB434 million raised from its Listing.

At the same time, the Group has also demonstrated its confidence in its own value through the Share Award Scheme administered by the Trustee. During the period from 28 August 2023 to 31 December 2025, we have continuously purchased Shares on the open market through the Trustee under the Share Award Scheme, with the aggregate number of Shares purchased representing approximately 4.1% of the Company's total number of issued Shares.

To further convey confidence in the Group's long-term prospects, Mr. Jiang Xiaohuang, executive Director, Chairman of the Board, CEO and Controlling Shareholder of FriendTimes, has voluntarily undertaken that, for a period of 12 months commencing from 17 July 2025, he will not sell any Shares held directly or indirectly by him through the open market in the Stock Exchange.

OUTLOOK

The Company's reserve games include Code: Lovers (代號：戀人) (Also Known As: Heartbeat Fall (心跳陷落)), Code: FPJ (代號：FPJ) (Also Known As: Yumemeguri Shoujo ~ Isekai Kyuutei Kitan ~ (夢巡り少女 ~ 異世界宮廷綺譚 ~)), Code: KT (代號：KT) (Also Known As: Hello Kitty My Dream Store), Code: MX (代號：MX), and Code: Football (代號：足球) etc., which are currently under development and testing. Looking into the future, we will constantly deepen the construction of our research and operations integration system, strengthen underlying technology research and development capabilities, and further enhance our full lifecycle product management capabilities by expanding multi-channel distribution networks and refined long-term operational mechanisms. We will continue to iterate on management systems and performance mechanisms, and continuously improve the cost control. We will accelerate the application of AI technologies and innovative experiments, drive process innovation across all scenarios, and strive to bring players more refreshing experiences. By steadfastly implementing a global development strategy, and pursuing our strategy of "regional focus + category breakthrough", we will create a premium game matrix characterized by cultural uniqueness with global aesthetics.

SOCIAL RESPONSIBILITIES

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

By consistently taking practical actions in areas such as education assistance, animal rescue, “red culture education”, environmental protection, and epidemic prevention and control, the Group continues to fulfill its social responsibility and mission, demonstrating and delivering a message of love in public welfare. In June 2025, the Group supported the public welfare donation event for the “Forever-Bond Program (石榴籽計劃)” at Sanhe Primary School in Ergun City, Inner Mongolia. At the same time, the Group has established systems for network content security, data security, and account management. As for user privacy protection, under stringent management systems and procedural frameworks, we exercise rigorous control over information security risks, and strictly align with relevant laws and regulations in all operating regions globally, thereby safeguarding data security, while maximally securing user personal information.

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the year ended 31 December 2025

(Expressed in Renminbi (“RMB”))

		Years ended 31 December	
		2025	2024
	Note	RMB'000	RMB'000
Revenue	2	1,248,103	1,162,786
Cost of sales		(336,789)	(349,264)
Gross profit		911,314	813,522
Other net income		33,162	48,843
Sales and marketing expenses		(544,474)	(556,994)
Research and development expenses		(281,206)	(292,731)
General and administrative expenses		(40,038)	(41,787)
Profit/(loss) from operations		78,758	(29,147)
Finance costs		(2,047)	(3,935)
Changes in fair value of financial assets measured at fair value through profit or loss (“FVPL”)		19,568	(2,752)
Profit/(loss) before taxation	3	96,279	(35,834)
Income tax	4	(3,114)	(13,022)
Profit/(loss) for the year		93,165	(48,856)
Attributable to:			
Equity shareholders of the Company		93,165	(48,856)
Profit/(loss) for the year		93,165	(48,856)
Earnings/(loss) per Share			
Basic and diluted (RMB)	5	0.04	(0.02)

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

*for the year ended 31 December 2025
(Expressed in RMB)*

	Years ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Profit/(loss) for the year	93,165	(48,856)
Other comprehensive income for the year		
Item that will not be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of the Company	(1,684)	861
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of subsidiaries outside Chinese Mainland	<u>141</u>	<u>1,409</u>
Other comprehensive income for the year	(1,543)	2,270
Total comprehensive income for the year	<u>91,622</u>	<u>(46,586)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2025

(Expressed in RMB)

		As at 31 December	
		2025	2024
	Note	RMB'000	RMB'000
Non-current assets			
Property, plant and equipment		202,718	220,499
Intangible assets		2,196	3,240
Right-of-use assets		7,469	7,063
Financial assets measured at FVPL	6	106,847	95,659
Time deposits		185,347	184,761
Deferred tax assets		7,270	5,412
Other receivables		7,187	7,591
		<u>519,034</u>	<u>524,225</u>
Current assets			
Contract costs		3,555	1,987
Financial assets measured at FVPL	6	356,510	204,241
Trade and other receivables	7	61,226	84,537
Pledged bank deposits		7,979	1,903
Restricted cash		2,626	3,464
Time deposits		330,652	247,294
Cash and cash equivalents		153,015	334,825
		<u>915,563</u>	<u>878,251</u>
Current liabilities			
Interest-bearing borrowings		70,340	149,420
Trade and other payables	8	98,376	86,038
Contract liabilities		20,205	10,543
Current taxation		1,400	1,430
Lease liabilities		685	–
		<u>191,006</u>	<u>247,431</u>
Net current assets		<u>724,557</u>	<u>630,820</u>
Total assets less current liabilities		<u>1,243,591</u>	<u>1,155,045</u>

		As at 31 December	
		2025	2024
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current liability			
Contract liabilities		<u>3,593</u>	<u>4,969</u>
NET ASSETS		<u>1,239,998</u>	<u>1,150,076</u>
CAPITAL AND RESERVES			
	9		
Share capital		154	154
Reserves		<u>1,239,844</u>	<u>1,149,922</u>
TOTAL EQUITY		<u>1,239,998</u>	<u>1,150,076</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

1 MATERIAL ACCOUNTING POLICIES

The consolidated financial statements for the year ended 31 December 2025 comprise the Group and the Group's interests in associates and a joint venture.

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the entity (the "Functional Currency"). The financial statements are presented in RMB, rounded to the nearest thousands except for per share information, which is the presentation currency.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that certain investments are stated at their fair value.

The preparation of financial statements in conformity with HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2 REVENUE

(i) Disaggregation of revenue

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

	Years ended 31 December	
	2025	2024
	RMB'000	RMB'000
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by business lines		
— Revenue from self-developed games published by the Group	1,218,300	1,137,849
— Revenue from self-developed games published through intellectual property license arrangement and others	29,803	24,937
	<u>1,248,103</u>	<u>1,162,786</u>

(ii) Geographic information

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

	Years ended 31 December	
	2025	2024
	RMB'000	RMB'000
Chinese Mainland	1,007,886	898,141
Overseas	240,217	264,645
	<u>1,248,103</u>	<u>1,162,786</u>

3 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

(a) Staff costs

	Years ended 31 December	
	2025	2024
	RMB'000	RMB'000
Salaries, wages and other benefits	255,400	262,462
Equity settled share-based payments	3,577	6,014
Contributions to defined contribution plans	47,972	45,586
	<u>306,949</u>	<u>314,062</u>

(b) Other items

	Note	Years ended 31 December	
		2025	2024
		RMB'000	RMB'000
Depreciation of property, plant and equipment		18,443	22,032
Impairment losses recognised in trade and other receivables		752	1,360
Research and development expenses	(i)	281,206	292,731
Auditors' remuneration		2,030	2,030

Note:

- (i) During the year ended 31 December 2025, research and development expenses include staff costs and depreciation expenses of RMB239,245,849 (2024: RMB252,911,392), which amounts are also included in the respective total amounts disclosed separately above.

4 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(a) Income tax in the consolidated statement of profit or loss represents:

	Years ended 31 December	
	2025	2024
	RMB'000	RMB'000
Current tax:		
Under-provision in prior years	4,972	9,555
Deferred tax:		
Origination and reversal of temporary differences	<u>(1,858)</u>	<u>3,467</u>
	<u>3,114</u>	<u>13,022</u>

(b) Reconciliation between actual income tax and accounting profit at applicable tax rates:

	Note	Years ended 31 December	
		2025	2024
		RMB'000	RMB'000
Profit/(loss) before taxation		<u>96,279</u>	<u>(35,834)</u>
Notional tax on profit before taxation, calculated at the rates applicable to the jurisdictions concerned	(i)	24,694	(10,457)
Tax effect of preferential tax rate	(ii)	(9,484)	3,894
Super-deduction of research and development expense	(iii)	(32,402)	(34,878)
Tax effect of non-deductible expenses		1,432	1,248
Tax effect of tax losses not recognised		11,320	45,744
Tax effect of temporary differences not recognised, net of utilisation of temporary differences not recognised in prior years		2,634	(2,086)
Under-provision in prior years		4,972	9,555
Others		<u>(52)</u>	<u>2</u>
Actual income tax		<u>3,114</u>	<u>13,022</u>

- (i) Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and British Virgin Islands.

The Company's subsidiary incorporated in Hong Kong is a qualifying corporation under the two-tiered Profits Tax rate regime. For this subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2024. Payments of dividends by Hong Kong companies are not subject to any withholding tax.

The Company's subsidiary incorporated in South Korea is liable to South Korea Profits tax at progressive tax rates from 9% to 24% of annual taxable profits.

The Group's PRC subsidiaries are liable to the PRC corporate income tax rate of 25%.

- (ii) The subsidiary of the Company, Suzhou Cheeryoo Network Technology Co., Ltd. ("Suzhou Cheeryoo") is entitled to a preferential income tax rate of 15% from 2023 onwards as High and New Technology Enterprise.

The subsidiary of the Company, Suzhou Eagle Network Technology Co., Ltd. ("Suzhou Eagle") is entitled to a preferential income tax rate of 15% from 2024 onwards as High and New Technology Enterprise.

According to tax regulation issued by the Inland Revenue Department ("IRD"), only profits which have a source in Hong Kong are taxable, while profits sourced offshore are not subject to Hong Kong Profits Tax. The income of the subsidiary of the Company, Wish Interactive Technology Limited ("Wish Interactive") is treated as offshore sourced and non-taxable.

- (iii) Under the PRC Income Tax Law and its relevant regulations 100% additional tax deduction is allowed for qualified research and development costs since 1 October 2022.

5 EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB93,165,000 (2024: loss of RMB48,856,000) and the weighted average of 2,099,561,000 ordinary shares (2024: 2,110,989,000) in issue during the year, calculated as follows:

Weighted average number of ordinary shares in issue

	Years ended 31 December	
	2025	2024
	'000	'000
Ordinary shares at 1 January	2,180,850	2,180,850
Effect of shares held for Share Award Scheme	(81,289)	(69,861)
Weighted average number of ordinary shares at 31 December	<u>2,099,561</u>	<u>2,110,989</u>
	Years ended 31 December	
	2025	2024
Profit/(loss) attributable to the equity shareholders of the Company (RMB'000)	93,165	(48,856)
Weighted average number of ordinary shares in issue ('000)	<u>2,099,561</u>	<u>2,110,989</u>
Basic earnings/(loss) per share (RMB)	<u>0.04</u>	<u>(0.02)</u>

(b) Diluted earnings/(loss) per share

Diluted earnings/(loss) per share for the years ended 31 December 2025 and 2024 is the same as the basic earnings/(loss) per share as there were no potentially dilutive ordinary shares issued.

6 FINANCIAL ASSETS MEASURED AT FVPL

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Investment in LLPs	101,847	90,659
Investment in wealth management products	280,768	169,757
Investment in listed equity securities	75,742	34,484
Investment in unlisted equity securities	5,000	5,000
	<u>463,357</u>	<u>299,900</u>
Financial assets measured at FVPL included in the consolidated financial statement:		
Current	356,510	204,241
Non-current	<u>106,847</u>	<u>95,659</u>

7 TRADE AND OTHER RECEIVABLES

	Note	As at 31 December	
		2025	2024
		RMB'000	RMB'000
Trade receivables		54,842	66,311
Less: Loss allowance		(764)	(12)
Trade receivables, net	(a)	<u>54,078</u>	<u>66,299</u>
Prepayments		2,049	2,109
VAT deductible		821	7,285
Income tax recoverable		2,080	7,071
Other receivables		9,385	9,364
		<u>68,413</u>	<u>92,128</u>
Current		61,226	84,537
Non-current		<u>7,187</u>	<u>7,591</u>
		<u>68,413</u>	<u>92,128</u>

All of trade and other receivables classified as current portion are expected to be recovered or recognised as expenses within one year.

(a) Ageing analysis

As at the end of each of the years ended 31 December 2025 and 2024, the ageing analysis of trade receivables, based on the invoice date and net of allowance, is as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Within 3 months	54,031	66,235
After 3 months but within 2 years	811	76
Less: Loss allowance	(764)	(12)
	<u>54,078</u>	<u>66,299</u>
Trade receivables, net	<u>54,078</u>	<u>66,299</u>

8 TRADE AND OTHER PAYABLES

	Note	As at 31 December	
		2025	2024
		RMB'000	RMB'000
Trade payables	(a)	41,152	38,102
Accrued payroll		51,673	42,602
Other payables and accruals		5,551	5,334
		<u>98,376</u>	<u>86,038</u>
Trade and other payables		<u>98,376</u>	<u>86,038</u>

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

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

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Within 3 months	40,737	37,300
Over 3 months but within 6 months	16	791
Over 6 months but within 12 months	399	3
Over 1 year	–	8
	<u>41,152</u>	<u>38,102</u>

9 CAPITAL AND RESERVES

(a) Share capital

(i) Issued share capital

	Par Value US\$	No. of shares '000	US\$ '000
As at 1 January 2024, 31 December 2024 and 2025	<u>0.00001</u>	<u>2,180,850</u>	<u>20</u>
RMB equivalent ('000)			<u>154</u>

(ii) Shares held for Share Award Scheme

	2025 Shares '000	2024 Shares '000	2025 Shares HK\$'000	2025 Shares RMB'000	2024 Shares HK\$'000	2024 Shares RMB'000
Shares held for Share Award Scheme	<u>90,038</u>	<u>79,250</u>	<u>72,934</u>	<u>66,710</u>	<u>67,144</u>	<u>61,433</u>

These shares of the Company were acquired and held by the Trustee for the purpose of granting shares under the Share Award Scheme adopted by the Company. Total amount of HK\$73,999,920 (2024: HK\$70,999,960) was paid to the Trustee, with a balance of unutilised cash of HK\$946,689 as restricted cash as at 31 December 2025 (2024: HK\$3,740,756).

(b) Equity settled share-based transactions

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

As at 31 December 2025 and 2024

The terms and conditions of the grants are as follows:

	Number of RSUs	Vesting Conditions	Contractual life of RSUs
RSUs granted to directors:			
— on 1 January 2021	2,000,000	25%, 25%, 20%, 20% and 10% of total shares separately vested in 1st, 13th, 25th, 37th and 49th month after the grant date	1 month to 49 months
RSUs granted to employees:			
— on 1 January 2021	38,000,000	23%, 23%, 20%, 20% and 14% of total shares separately vested in 1st, 13th, 25th, 37th and 49th month after the grant date	1 month to 49 months
— on 5 January 2022	16,000,000	54%, 16%, 20% and 10% of total shares separately vested in 1st, 13th, 25th and 37th month after the grant date	1 month to 37 months
— on 2 January 2023	2,152,000	54%, 14%, 19% and 13% of total shares separately vested in 1st, 13th, 25th and 37th month after the grant date	1 month to 37 months
— on 5 January 2023	6,461,600	100% of total shares vested in 1st month after the grant date	1 month
— on 2 September 2024	1,600,000	47% and 53% of total shares separately vested immediately and in 11th month after the grant date	0 to 11 months
— on 31 December 2024	18,857,000	52%, 4%, 21%, 21% and 2% of total shares separately vested immediately and in 1st, 13th, 25th and 37th month after the grant date	0 to 37 months
Total RSUs granted	<u>85,070,600</u>		

Movements in the number of RSUs granted to the Group's directors, senior management, and employees and the respective weighted-average grant date fair value are as follows:

	Number of RSUs	Weighted average grant date fair value per RSU <i>HKD</i>
Outstanding as of 31 December 2024	15,978,800	1.02
Granted during the year		
Forfeited during the year	(2,290,000)	1.18
Vested during the year	(5,528,800)	1.63
	<u>8,160,000</u>	<u>0.56</u>
Outstanding as of 31 December 2025	<u>8,160,000</u>	<u>0.56</u>

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2025, the Group recorded revenue of approximately RMB1,248.1 million, representing an increase of RMB85.3 million or approximately 7.3% from approximately RMB1,162.8 million for the year ended 31 December 2024. The increase in revenue in 2025 was mainly due to the revenue increment brought by mini-games, primarily A Story of Lala's: Rising Star (杜拉拉升職記), Promise of Lingyun (凌雲諾) and the Legend of Empress (熹妃傳), which was higher than the natural decline in revenue of existing products as they progressed through their lifecycles.

Revenue by activity

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

	Year ended 31 December				Year-on-year % change
	2025		2024		
	RMB'000	%	RMB'000	%	
Revenue from games	1,247,784	99.9%	1,162,103	99.9%	7.4%
Others	319	0.1%	683	0.1%	-53.3%
Revenue	<u>1,248,103</u>	<u>100.0%</u>	<u>1,162,786</u>	<u>100.0%</u>	<u>7.3%</u>

Revenue from games by geographic markets

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

	Year ended 31 December				Year-on-year % change
	2025		2024		
	RMB'000	%	RMB'000	%	
Chinese Mainland	1,007,567	80.7%	897,458	77.2%	12.3%
Overseas	240,217	19.3%	264,645	22.8%	-9.2%
Revenue from games	<u>1,247,784</u>	<u>100.0%</u>	<u>1,162,103</u>	<u>100.0%</u>	<u>7.4%</u>

Cost of sales

For the year ended 31 December 2025, the Group's cost of sales amounted to approximately RMB336.8 million, representing a decrease of approximately RMB12.5 million or approximately 3.6% from approximately RMB349.3 million for the year ended 31 December 2024, which was mainly due to the decrease in distribution cost ratio resulting from the increased proportion of revenue from mini-games.

Gross profit and gross profit margin

As a result of the above, for the year ended 31 December 2025, the Group's gross profit amounted to approximately RMB911.3 million, representing an increase of approximately RMB97.8 million or approximately 12.0% from approximately RMB813.5 million for the year ended 31 December 2024. The gross profit margin for the year ended 31 December 2025 amounted to approximately 73.0%, representing an increase of 3 percentage points from approximately 70.0% for the year ended 31 December 2024, which mainly benefited from the increase in the proportion of revenue from our high-margin channels.

Sales and marketing expenses

For the year ended 31 December 2025, the Group's sales and marketing expenses amounted to approximately RMB544.5 million, representing a decrease of RMB12.5 million or approximately 2.2% from approximately RMB557.0 million for the year ended 31 December 2024, which was mainly due to (i) a decrease in brand marketing expenses, and (ii) a reduction in material production costs brought by AI efficiency improvements.

Research and development expenses

For the year ended 31 December 2025, the Group's research and development expenses amounted to approximately RMB281.2 million, representing a decrease of RMB11.5 million or approximately 3.9% from approximately RMB292.7 million for the year ended 31 December 2024, mainly due to (i) a decrease in employee expenses for the research and development department resulting from the reduced number of employees, and (ii) a decrease in share-based remuneration expenses for research and development staff.

General and administrative expenses

For the year ended 31 December 2025, the Group's general and administrative expenses amounted to approximately RMB40.0 million, representing a decrease of RMB1.8 million or approximately 4.3% from approximately RMB41.8 million for the year ended 31 December 2024.

Finance costs

For the year ended 31 December 2025, the Group's finance costs amounted to approximately RMB2.0 million, representing a decrease of approximately RMB1.9 million from approximately RMB3.9 million for the year ended 31 December 2024, which was mainly due to the impact of the decrease in both financing amount and financing cost ratio.

Income tax

For the year ended 31 December 2025, the Group's income tax expense amounted to approximately RMB3.1 million, representing a decrease of approximately RMB9.9 million from approximately RMB13.0 million for the year ended 31 December 2024, mainly due to the decrease in offshore income tax paid and the decrease in deferred income tax of certain individual companies during the Reporting Period.

Profit/(loss) for the year

Based on the reasons above, in 2025, our profit for the year amounted to approximately RMB93.2 million, representing an increase of approximately RMB142.1 million or approximately 290.7% compared to the net loss for the year of 2024 of approximately RMB48.9 million.

Adjusted profit/(loss) for the year

Adjusted profit/(loss) for the year is calculated by adding back share-based remuneration expenses to the profit/(loss) for the year.

The table below sets forth the reconciliation between the Group's profit/(loss) and adjusted profit/(loss) for the year for the years ended 31 December 2025 and 2024:

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Profit/(loss) for the year	93,165	(48,856)
Add: Equity settled share-based payments	3,577	6,014
	<u>96,742</u>	<u>(42,842)</u>
Adjusted profit/(loss) for the year	<u>96,742</u>	<u>(42,842)</u>

Liquidity and capital resources

As of 31 December 2025, the Group's current liabilities/net assets amounted to approximately 0.15 (31 December 2024: 0.22).

As of 31 December 2025, the Group's cash and cash equivalents amounted to approximately RMB153.0 million. The Group monitors and maintains cash and cash equivalents to a level that management believes to be sufficient to meet the Group's operating needs, reducing the impact of cash flow fluctuations.

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Net cash generated from/(used in) operating activities	117,195	(52,833)
Net cash (used in)/generated from investing activities	(202,920)	5,860
Net cash used in financing activities	(93,251)	(15,313)
	<u>(178,976)</u>	<u>(62,286)</u>
Net decrease in cash and cash equivalents	(178,976)	(62,286)
Cash and cash equivalents as at the beginning of the year	334,825	396,216
Effect of foreign exchange rate changes	(2,834)	895
	<u>153,015</u>	<u>334,825</u>
Cash and cash equivalents as at 31 December	<u>153,015</u>	<u>334,825</u>

Operating activities

For the year ended 31 December 2025, net cash generated from operating activities was RMB117.2 million, compared to net cash used of RMB52.8 million for the year ended 31 December 2024.

Investing activities

For the year ended 31 December 2025, net cash used in investing activities was RMB202.9 million, which primarily included (1) payments for purchase of investments measured at FVPL of RMB1,635.2 million; (2) the proceeds from redemption of investments measured at FVPL of RMB1,504.0 million; (3) payments for purchase of investments of time deposits of RMB373.1 million; and (4) the proceeds from redemption of time deposit investment of RMB292.4 million; and net cash generated from investing activities for the year ended 31 December 2024 was RMB5.9 million.

Financing activities

For the year ended 31 December 2025, net cash used in financing activities was RMB93.3 million, which is mainly used to (1) repay the payment for bank borrowings of RMB152.0 million; (2) acquire the proceeds from bank borrowings of RMB70.9 million; (3) pay security deposits for bank acceptance bills of RMB6.0 million; and (4) purchase Shares of RMB5.3 million in respect of the Share Award Scheme; and net cash used in financing activities for the year ended 31 December 2024 was RMB15.3 million.

Capital expenditures

The Group's capital expenditures mainly included (1) purchase of equipment such as servers and computers; (2) purchase of such intangible assets as copyrights of literature and various office software used or to be used in our games; and (3) payment of housing rental fees for the acquisition of right-of-use assets.

Capital expenditures for the years ended 31 December 2025 and 2024 are set forth below:

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Equipment	670	323
Intangible assets	1,348	3,292
Right-of-use assets	1,370	–
	<u>1,370</u>	<u>–</u>

For the year ended 31 December 2025, the Group's expenditures on the acquisition of equipment amounted to approximately RMB0.7 million, representing an increase of RMB0.4 million from approximately RMB0.3 million for the year ended 31 December 2024; for the year ended 31 December 2025, the Group's expenditures on acquisition of intangible assets amounted to approximately RMB1.3 million, representing a decrease of RMB1.9 million from approximately RMB3.3 million for the year ended 31 December 2024, which was mainly attributable to the purchase of a two-year right to use the software used for research and development in 2024; for the year ended 31 December 2025, the Group's expenditures on leased office premises amounted to approximately RMB1.4 million, while there was no such expenditure for the year ended 31 December 2024.

Gearing ratio and capital structure

As at 31 December 2025, gearing ratio was 5.7% (31 December 2024: 13.0%). For the year ended 31 December 2025, the Group's balance of bank borrowings amounted to approximately RMB70.3 million (31 December 2024: RMB149.4 million). The Company's number of issued Shares remained unchanged, being 2,180,850,000 Shares.

Contingent liabilities

As of 31 December 2025, the Group did not have any unrecorded significant contingent liabilities or any guarantees (2024: Nil).

Employees and remuneration policies

As of 31 December 2025, the Group had a total of 912 employees (31 December 2024: 887 employees), all based in the PRC. The Group determined the remuneration policy for the employees based on their performance, work experience and the current market salary scale. We did not experience any material labour disputes during the year ended 31 December 2025.

Restructuring and significant investments

During the year ended 31 December 2025, the Group did not have any restructuring and significant investments.

Financial assets

1. As of 31 December 2025, the Group's wealth management products were issued by licensed commercial banks and securities firms in China, including principal-protected floating return products and medium-to-low-risk non-principal-protected floating return products.
2. As of 31 December 2025, the wealth management products of the Group that have met the disclosable transaction requirements at the time of purchase under the Listing Rules were disclosed in relevant announcements. None of the remaining wealth management products had a fair value accounting for 5% or more of the Group's total assets.
3. As of 31 December 2025, the Group's limited partnership investments were investments in six venture capital partnerships as a limited partner. The fair value at the time of investment did not exceed 5% of the Group's total assets, or did not meet the disclosable transaction requirements under the Listing Rules, and therefore no disclosure was required.

As of 31 December 2025, the six venture capital partnerships (private funds) under the same fund manager exceeded 5% or more of the Group's total assets:

Time of investments	Names of private funds	Nature of funds	Fund manager	Scope of investments	Initial size of funds (RMB million)	Initial cost of investments (RMB million)	Initial percentage of investments	Cost of investments	Fair value	Fair value relative size
								as of 31 December 2025 (RMB million)	as of 31 December 2025 (RMB million)	to total assets as of 31 December 2025
July 2020	Suzhou Yongxin Ronghui Venture Capital Partnership (L.P.)* (蘇州永鑫融慧創業投資合夥企業 (有限合夥))	Comprehensive fund	Suzhou Yongxin Ark Equity Investment Partnership (蘇州永鑫方舟股權投資管理合夥企業 (普通合夥))	Investing in innovative enterprises in their startup and growth stages through equity investment	278.3	30.0	10.78%	28.2	30.4	6.68%
November 2021	Suzhou Yongxin Kaituo Venture Capital Partnership (L.P.)* (蘇州永鑫開拓創業投資合夥企業 (有限合夥))	Comprehensive fund	Suzhou Yongxin Ark Equity Investment Partnership (蘇州永鑫方舟股權投資管理合夥企業 (普通合夥))	Investing in innovative enterprises in their growth-stage through equity investment	500.9	30.0	5.99%	28.1	31.4	
November 2022	Suzhou Yongxin Rongchang Venture Capital Partnership (L.P.)* (蘇州永鑫融暢創業投資合夥企業 (有限合夥))	Specialized fund	Suzhou Yongxin Ark Equity Investment Partnership (蘇州永鑫方舟股權投資管理合夥企業 (普通合夥))	Investing through equity investment in the growth-oriented enterprises with core competitive advantages and potential for listing	76.3	5.0	6.55%	5.0	19.1	
July 2023	Suzhou Yongxin Rongyao Venture Capital Partnership (L.P.)* (蘇州永鑫融耀創業投資合夥企業 (有限合夥))	Comprehensive fund	Suzhou Yongxin Ark Equity Investment Partnership (蘇州永鑫方舟股權投資管理合夥企業 (普通合夥))	Investing in innovative enterprises focusing on pan-intelligent manufacturing industry related areas in their growth-stage through equity investment	600.0	5.0	0.83%	5.0	4.9	
July 2023	Suzhou Yongxin Rongke Venture Capital Partnership (L.P.)* (蘇州永鑫融科創業投資合夥企業 (有限合夥))	Specialized fund	Suzhou Yongxin Ark Equity Investment Partnership (蘇州永鑫方舟股權投資管理合夥企業 (普通合夥))	Investing through equity investment in the growth-oriented enterprises with core competitive advantages and potential for listing	52.1	5.0	9.60%	5.0	5.0	
March 2025	Suzhou Yongxin Ronglun Equity Investment Partnership (L.P.)* (蘇州永鑫融倫股權投資合夥企業 (有限合夥))	Specialized fund	Suzhou Yongxin Ark Equity Investment Partnership (蘇州永鑫方舟股權投資管理合夥企業 (普通合夥))	Investing through equity investment in the growth-oriented enterprises with core competitive advantages and potential for listing	52.1	5.0	9.60%	5.0	5.0	

4. As of 31 December 2025, the Group's stock investments were all stock investments with an active stock market, and no single stock investment had a fair value exceeding 5% or more of the Group's total assets.
5. As of 31 December 2025, the Group's investments in monetary funds referred to low-risk products in the securities investment funds, the fair value of which did not exceed 5% or more of the Group's total assets.
6. The Company has formulated standardized capital and investment management policies to monitor and control potential risks related to investment activities. When considering whether to invest and what kind of products to invest in, the management will consider, among other things, the risk level, investment return, liquidity and maturity of the relevant wealth management products on a case-by-case basis. Our investment portfolio and policies are regularly reviewed by our Directors and management team.

Material acquisitions and disposals of assets

For the year ended 31 December 2025 and up to the date of this announcement, there were no material acquisitions and disposals of assets.

Off-balance sheet arrangements

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

Pledge of assets by the Group

As of 31 December 2025, the Group obtained borrowings and loans pledged by assets, and the amount of the secured assets was RMB35.8 million (31 December 2024: RMB60.0 million).

Foreign currency exchange risks

For the year ended 31 December 2025, most of the transactions denominated in non-RMB were denominated in U.S. dollars and Hong Kong dollars. The management team closely monitors foreign currency exchange risks to ensure that appropriate measures are implemented in a timely and effective manner. In the past, the Group has not incurred any significant foreign currency exchange losses in its operations. The management team will continue to closely monitor the Group's foreign currency exchange risks and will consider implementing appropriate measures.

EVENTS AFTER THE YEAR ENDED 31 DECEMBER 2025

The Group did not have any significant events after the year ended 31 December 2025 and up to the date of this announcement.

OTHER INFORMATION

Dividend

The Board proposed the payment of a final dividend of HK2 cents per ordinary Share for the year ended 31 December 2025 (31 December 2024: Nil).

The payment of the final dividend shall be subject to the approval by the Shareholders at the AGM. Upon the approval by the Shareholders, the final dividend is expected to be paid around Wednesday, 10 June 2026.

Annual General Meeting

The AGM will be held on Tuesday, 12 May 2026. A notice convening the AGM will be published and dispatched to the Shareholders in due course in the manner prescribed by the Listing Rules.

Closure of Register of Members

1. Entitlement to attend and vote at the 2026 AGM

For determination of the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Thursday, 7 May 2026 to Tuesday, 12 May 2026 (both days inclusive), during which period no transfer of the Shares will be registered. In order to qualify for the entitlement to attend and vote at the AGM, all completed transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 6 May 2026.

2. *Entitlement to the final dividend for 2025*

For determination of the entitlement of Shareholders to the final dividend for 2025 (final dividend is subject to approval by the Shareholders at the AGM), the register of members of the Company will be closed from Monday, 18 May 2026 to Thursday, 21 May 2026 (both days inclusive), during which period no transfer of the Shares will be registered. The record date for the entitlement to the final dividend for 2025 is Thursday, 21 May 2026. In order to qualify for the entitlement to the final dividend, all completed transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Friday, 15 May 2026. The payment date for the final dividend for 2025 is expected to be on or around Wednesday, 10 June 2026.

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

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed the listed securities of the Company (including sale of treasury Shares as defined under the Listing Rules). The Company did not hold any treasury Shares (as defined under the Listing Rules) as at 31 December 2025.

Share Award Scheme

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

Objectives of the Share Award Scheme

1. to further improve the Group's incentive system, align the interests of certain Eligible Participants with the Group's interests and encourage them to create long-term value for the Group; and
2. to attract and motivate key professional talents to enhance the competitiveness and promote the sustainable development of the Group.

Eligible Participants of the Share Award Scheme

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

Administration of the Share Award Scheme

1. The Share Award Scheme is subject to the Scheme Rules and the terms of the Trust Deed (as the case may be);
2. The Board may, by passing ordinary resolutions, appoint any one or more senior management of the Company as Authorised Representative(s) (or form an advisory committee) to give instructions or notices to the Trustee on all matters in connection with this scheme and other matters in the routine administration of the Trust; and
3. The Trustee will hold the Shares and the income derived therefrom in accordance with the Scheme Rules and subject to the terms of the Trust Deed.

Sources of Awarded Shares of the Share Award Scheme

1. Mr. Jiang Xiaohuang, the Controlling Shareholder of the Company, indirectly transferred 80,000,000 Shares (representing approximately 3.7% of the total number of issued Shares as of the date of this announcement) as a gift, at nil consideration, as the pool of Shares; and
2. As of 31 December 2025, a total of 100,812,000 Shares (representing approximately 4.6% of the total number of issued Shares as of the date of this announcement) are purchased as the pool of Shares under the Share Award Scheme.

Limit of the Share Award Scheme

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

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

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

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

Voting Rights

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

Duration and Termination of the Share Award Scheme

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

As at 31 December 2025, the remaining life of the Share Award Scheme was approximately 4.5 years, provided that the Board may decide early termination in accordance with the relevant rules under the Share Award Scheme (which is amended from time to time).

Implementation of the Share Award Scheme

1. On 14 September 2020, Mr. Jiang Xiaohuang, a Controlling Shareholder of the Company, decided to indirectly transfer an aggregate of 80,000,000 Shares as a gift within three years, at nil consideration, as the pool of Shares.
2. On 1 December 2020, Mr. Jiang Xiaohuang completed the first annual share contribution plan and indirectly transferred an aggregate of 40,000,000 Shares as a gift at nil consideration, as the pool of Shares.
3. On 28 December 2020, the Board, based on the recommendation of the remuneration committee of the Company, resolved to grant a total of 40,000,000 Awarded Shares, which have been held by the Trustee on behalf of the Selected Participants, at nil consideration to the Share Award Grantees. The grant of Awarded Shares has been effective from 1 January 2021. The Share Award Grantees include (1) Mr. Wu Jie, a former executive Director (awarded 2,000,000 Shares); (2) Mr. Sun Bo, an executive Director (awarded 2,000,000 Shares); and (3) employees of the Group (awarded 36,000,000 Shares). These Awarded Shares were granted as a gift at nil consideration with an exercise period ranging from 1 month to 49 months.
4. On 28 June 2021, Mr. Jiang Xiaohuang completed the second annual share contribution plan and indirectly transferred an aggregate of 20,000,000 Shares as a gift at nil consideration, as the pool of Shares.

5. On 4 January 2022, the Board, based on the recommendation of the remuneration committee of the Company, resolved to grant a total of 16,000,000 Awarded Shares, which have been held by the Trustee on behalf of the Selected Participants, at nil consideration to the Share Award Grantees. The grant of Awarded Shares has been effective from 5 January 2022. The Share Award Grantees are employees (excluding the Directors) of the Group. These Awarded Shares were granted as a gift at nil consideration with an exercise period ranging from 1 month to 37 months.
6. On 22 July 2022, Mr. Jiang Xiaohuang completed the third annual share contribution plan and indirectly transferred an aggregate of 20,000,000 Shares at nil consideration as the pool of Shares. By that time, the three-year gift plan of Mr. Jiang Xiaohuang has been fully completed.
7. On 2 and 5 January 2023, the Board, based on the recommendation of the remuneration committee of the Company, resolved to grant 2,152,000 and 6,461,600 Awarded Shares respectively, which have been held by the Trustee on behalf of the Selected Participants, at nil consideration to the Share Award Grantees. The grant of Awarded Shares has been effective from 2 and 5 January 2023 respectively. The Share Award Grantees are employees (excluding the Directors) of the Group. These Awarded Shares were granted as a gift at nil consideration with an exercise period ranging from 1 month to 37 months.
8. On 2 September 2024, the Board, based on the recommendation of the remuneration committee of the Company, resolved to grant 1,600,000 Awarded Shares, which have been held by the Trustee on behalf of the Selected Participants, at nil consideration to the Share Award Grantees. The grant of Awarded Shares has been effective from 2 September 2024. The Share Award Grantees are employees (excluding the Directors) of the Group. These Awarded Shares were granted as a gift at nil consideration with an exercise period ranging from the date of grant to 11 months.
9. On 31 December 2024, the Board, based on the recommendation of the remuneration committee of the Company, resolved to grant 18,857,000 Awarded Shares, which have been held by the Trustee on behalf of the Selected Participants, at nil consideration to the Share Award Grantees. The grant of Awarded Shares has been effective from 31 December 2024. The Share Award Grantees are employees (excluding the Directors) of the Group. These Awarded Shares were granted as a gift at nil consideration with an exercise period ranging from the date of grant to 37 months.
10. As of 31 December 2025, a total of 100,812,000 Shares are purchased as the pool of Shares under the Share Award Scheme.

The number of Shares available for grant under the Share Award Scheme as at 1 January 2025 and 31 December 2025 was 107,506,000 and 120,598,000, representing approximately 4.9% and approximately 5.5% of the total number of Shares in issue as at 1 January 2025 and 31 December 2025, respectively.

Set out below are the details of the number of Awarded Shares granted and movements under the Share Award Scheme for the year ended 31 December 2025:

Name or category of the participant	Date of grant	Vesting period	Purchase price	Number of Awarded Shares					Unvested as at 31 December 2025
				Unvested as at 1 January 2025	Granted during the year	Vested during the year	Lapsed during the year	Cancelled during the year	
Director									
Mr. Sun Bo	1 January 2021	1 January 2021 to 31 January 2025	nil ⁽³⁾	200,000	-	(200,000) ⁽¹⁾	-	-	-
Five highest paid individuals (excluding directors) during the Reporting Period in aggregate									
In aggregate	2 January 2021	1 January 2021 to 31 January 2025	nil ⁽³⁾	760,000	-	(760,000) ⁽¹⁾	-	-	-
In aggregate	5 January 2022	5 January 2022 to 31 January 2025	nil ⁽³⁾	600,000	-	-	(600,000)	-	-
In aggregate	2 January 2023	2 January 2023 to 31 January 2025	nil ⁽³⁾	300,000	-	-	(300,000)	-	-
In aggregate	2 September 2024	2 September 2024 to 31 July 2025	nil ⁽³⁾	600,000	-	(300,000) ⁽²⁾	(300,000)	-	-
In aggregate	31 December 2024	31 December 2024 to 31 January 2025	nil ⁽³⁾	600,000	-	(600,000) ⁽¹⁾	-	-	-
		31 December 2024 to 31 January 2026	nil ⁽³⁾	900,000	-	-	-	-	900,000
		31 December 2024 to 31 January 2027	nil ⁽³⁾	1,100,000	-	-	-	-	1,100,000
Employee Participants									
In aggregate	1 January 2021	1 January 2021 to 31 January 2025	nil ⁽³⁾	3,278,800	-	(3,218,800) ⁽¹⁾	(60,000)	-	-
In aggregate	5 January 2022	5 January 2022 to 31 January 2025	nil ⁽³⁾	1,000,000	-	-	(1,000,000)	-	-
In aggregate	2 September 2024	2 September 2024 to 31 July 2025	nil ⁽³⁾	250,000	-	(250,000) ⁽²⁾	-	-	-
In aggregate	31 December 2024	31 December 2024 to 31 January 2025	nil ⁽³⁾	200,000	-	(200,000) ⁽¹⁾	-	-	-
		31 December 2024 to 31 January 2026	nil ⁽³⁾	3,050,000	-	-	(15,000)	-	3,035,000
		31 December 2024 to 31 January 2027	nil ⁽³⁾	2,840,000	-	-	(15,000)	-	2,825,000
		31 December 2024 to 31 January 2028	nil ⁽³⁾	300,000	-	-	-	-	300,000
Total				<u>15,978,800</u>	<u>-</u>	<u>(5,528,800)</u>	<u>(2,290,000)</u>	<u>-</u>	<u>8,160,000</u>

Note:

- (1) These Shares were all vested on the same date and the weighted average closing price of the Shares on the trading day (i.e. 28 January 2025) immediately before the date (31 January 2025) on which the Awarded Shares were vested during the Reporting Period was HK\$0.57.
- (2) These Shares were all vested on the same date and the weighted average closing price of the Shares on the trading day (i.e. 30 July 2025) immediately before the date (31 July 2025) on which the Awarded Shares were vested during the Reporting Period was HK\$0.80.
- (3) As all the aforementioned Awarded Shares are donated by Mr. Jiang Xiaohuang, the Board has decided to grant the aforementioned Awarded Shares to the Eligible Participants at nil consideration.
- (4) There is no participant with Awarded Shares granted and to be granted in excess of the 1% individual limit, nor related entity participant or service provider with Awarded Shares granted and to be granted in any 12-month period exceeding 0.1% of the relevant class of Shares in issue.
- (5) Due to inconsistencies between the five highest paid individuals for the year ended 31 December 2024 and the year ended 31 December 2025, the breakdown of “Unvested as at 1 January 2025” in this announcement is inconsistent with that of “Unvested as at 31 December 2024” in 2024 annual report, but the total amount of unvested Awarded Shares as at 31 December 2024 and 1 January 2025 is consistent.

Compliance with the CG Code

The Company has adopted the code provisions as set out in the CG Code as its corporate governance framework. For the year ended 31 December 2025, the Company has complied with the code provisions set out in the CG Code except for the deviation from code provision C.2.1 as disclosed below.

Pursuant to the code provision C.2.1 of the CG Code, the roles of Chairman and CEO should be separated and should not be performed by the same individual.

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

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

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

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as its code for Directors to conduct securities transactions. The Company has made specified enquiry with all the Directors, who have confirmed that, they have complied with the required standards set out in the Model Code during the year ended 31 December 2025.

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

Fiscal Policies

The Group has adopted centralized financing and fiscal policies to strengthen control over bank deposits and ensure the safe and efficient operation of the Group's funds. The Group's surplus cash is generally investments in deposit products in RMB, U.S. dollars or HK dollars and low to medium- risk financial products.

Sufficiency of Public Float

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

Audit Committee

The Company has established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code. The Audit Committee comprises three members, namely, Mr. Zhu Wei, Ms. Tang Haiyan and Mr. Zhang Jinsong, all being independent non-executive Directors of the Company. Mr. Zhu Wei is the chairman of the Audit Committee, who possesses suitable professional qualifications.

The Audit Committee has reviewed the Company's audited consolidated results for the year ended 31 December 2025 and confirmed that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made. The Audit Committee has also discussed the auditing, internal control and financial reporting matters.

Scope of Work of the Company's Auditor

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by KPMG in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by KPMG on the preliminary announcement.

Publication of the Annual Results and Annual Report

The annual results announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.friendtimes.net). The 2025 annual report of the Group will be despatched to the Shareholders who have requested for corporate communications in printed copy and published on the aforementioned websites in due course in accordance with Rule 13.40 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Adoption Date”	14 September 2020, being the date on which the Board adopted the Share Award Scheme
“AGM”	the forthcoming annual general meeting of the Company to be held on 12 May 2026
“AI”	artificial intelligence
“APP”	a third-party application for smartphones
“Audit Committee”	the Company’s audit committee which was established in accordance with the requirements of the Listing Rules, for the purposes of reviewing and providing supervision over the Group’s financial reporting system, risk management and internal control
“Auditor”	KPMG, Certified Public Accountants Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
“Award”	an award granted by the Board to a Selected Participant entitling the Selected Participant to receive such number of Awarded Shares and the related income on such terms and conditions as the Board may determine
“Awarded Shares”	in respect of a Selected Participant, such number of Shares determined by the Board under an Award
“Board” or “Board of Directors”	board of Directors of the Company
“CEO”	chief executive officer
“CG Code”	Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“Chairman”	chairman of the Board

“China” or “PRC”	the People’s Republic of China, but for the purpose of this announcement and for geographical reference only, unless otherwise stated, excludes the special administrative regions of Hong Kong and Macau, and Taiwan
“Company” or “our Company” or “the Company”	FriendTimes Inc., an exempted company incorporated in the Cayman Islands on 16 November 2018 with limited liability and listed on the Stock Exchange on 8 October 2019 (Stock code: 6820)
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and in the context of this announcement, refers to the controlling shareholders of our Company, being Mr. Jiang, Gorgeous Sunshine, Eternal Heart, Ling Long, Future Wisdom, Warm Sunshine, Agile Eagle (as defined respectively in the Prospectus)
“DAU”	the abbreviation of “Daily Active User”, the number of daily active users
“Director(s)”	director(s) of the Company
“Eligible Participant(s)”	any senior and mid-level management, core technical personnel and key employees who, at the absolute discretion of the Board, will contribute or have contributed to any member of the Group
“FVPL”	fair value through profit or loss
“Group”, “our Group”, “the Group”, “we”, “us”, “our”, or “FriendTimes”	the Company and its subsidiaries, or where the context refers to any time prior to the Company becoming the holding company of its present subsidiaries, the present subsidiaries of the Company and the businesses operated by such subsidiaries or their predecessors (as the case may be)
“HKFRS”	Hong Kong Financial Reporting Standards
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars” or “HK dollars” or “HK\$” or “HK cents”	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong

“IP”	intellectual property
“Listing”	listing of the Shares on the Main Board of the Stock Exchange
“Listing Date”	8 October 2019, the date on which the Shares were listed on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC
“Ministry of Culture and Tourism”	Ministry of Culture and Tourism of the People’s Republic of China
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“NPC”	Non-Player Character, the game characters in electronic games that are not controlled by players
“Prospectus”	the prospectus of the Company dated 24 September 2019
“Reporting Period”	1 January 2025 to 31 December 2025
“RMB”	Renminbi, the lawful currency of the PRC
“Scheme Rules”	the rules of the Share Award Scheme, as amended from time to time
“Selected Participant”	Eligible Participant(s) selected by the Board pursuant to the Scheme Rules who holds a subsisting Award
“Senior Management”	senior management of the Company
“Share(s)”	ordinary share(s) in the issued capital of the Company with nominal value of US\$0.00001 each
“Shareholder(s)”	holder(s) of the Shares

“Share Award Scheme”	the share award scheme adopted by the Company on the Adoption Date (in its present or any amended form)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	the company(ies) which are for the time being and from time to time the subsidiary(ies) (within the meaning of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the Listing Rules) of the Company, whether incorporated in Hong Kong, the British Virgin Islands, the PRC or elsewhere
“Taiwan”	Taiwan Province of the PRC
“Trust”	the trust constituted by the Trust Deed
“Trust Deed”	a trust deed entered into by and among the Company, the Trustee and its nominee (as restated, supplemented and amended from time to time)
“Trustee”	the trustee which has been appointed by the Company to manage the Share Award Scheme
“%”	per cent

APPRECIATION

On behalf of the Board, I would like to take this opportunity to thank the management members and staff of the Group for their hard work in the past year. I would also like to give my sincere gratitude to our Shareholders, partners and stakeholders for their continued support, and hope to receive their continued support in the future.

By Order of the Board
FriendTimes Inc.
Jiang Xiaohuang
Chairman and Executive Director

Hong Kong, 24 March 2026

As at the date of this announcement, the Board comprises Mr. Jiang Xiaohuang, Mr. Xu Lin and Mr. Sun Bo as executive Directors; and Mr. Zhu Wei, Ms. Tang Haiyan and Mr. Zhang Jinsong as independent non-executive Directors.