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WANKA ONLINE INC.

萬咖壹聯有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1762)

**FINANCIAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025**

HIGHLIGHTS OF ANNUAL RESULTS			
	Year ended 31 December		Change
	2025	2024	
	RMB'000	RMB'000	
Revenue	4,299,148	2,627,271	63.6%
Gross Profit	431,762	234,038	84.5%
Adjusted EBITDA ⁽¹⁾	104,447	68,043	53.5%
Adjusted Net Profit ⁽²⁾	65,012	33,609	93.4%
	As at 31 December		
	2025	2024	Change
	RMB'000	RMB'000	
Total Assets	2,829,435	2,328,038	21.5%
Total Liabilities	1,261,742	916,243	37.7%
Total Equity	1,567,693	1,411,795	11.0%

Notes:

(1) Adjusted EBITDA eliminates the effect of depreciation, amortisation, finance costs, income tax expense and impairment loss on goodwill.

(2) Adjusted net profit eliminates the effect of impairment loss on goodwill.

* For identification purposes only

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce the consolidated results of the Group for the year ended 31 December 2025, together with the comparative figures for the year ended 31 December 2024, which have been prepared in accordance with HKFRS Accounting Standards as below.

In this announcement, “we”, “us”, and “our” refer to the Company and where the context otherwise requires, the Group.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 RMB'000	2024 RMB'000
REVENUE	5	4,299,148	2,627,271
Cost of sales	5	<u>(3,867,386)</u>	<u>(2,393,233)</u>
Gross profit		431,762	234,038
Other income and net gains or losses	6	14,871	8,496
Selling and distribution expenses		(125,224)	(32,113)
Research and development costs		(164,467)	(92,939)
(Impairment loss)/reversal of impairment loss on accounts receivable		(2,471)	1,528
Impairment loss on goodwill		–	(26,017)
Administrative expenses		(57,601)	(51,163)
Other expenses and losses		(2,858)	(9,857)
Finance costs	8	(16,529)	(14,561)
Share of profit/(loss) in an associate		<u>9</u>	<u>(1,000)</u>
PROFIT BEFORE TAX	7	77,492	16,412
Income tax expense	9	<u>(12,480)</u>	<u>(8,820)</u>
PROFIT FOR THE YEAR		<u>65,012</u>	<u>7,592</u>
PROFIT FOR THE YEAR			
ATTRIBUTABLE TO:			
Owners of the parent		58,259	2,267
Non-controlling interest		<u>6,753</u>	<u>5,325</u>
		<u>65,012</u>	<u>7,592</u>
EARNINGS PER SHARE ATTRIBUTABLE			
TO ORDINARY EQUITY HOLDERS OF			
THE PARENT (expressed in RMB cents per share)			
Basic	11	<u>3.45</u>	<u>0.15</u>
Diluted		<u>3.41</u>	<u>0.15</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
PROFIT FOR THE YEAR	<u>65,012</u>	<u>7,592</u>
OTHER COMPREHENSIVE INCOME		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>5,537</u>	<u>(714)</u>
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	<u>5,537</u>	<u>(714)</u>
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of the Company	<u>(8,416)</u>	<u>5,037</u>
Net other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods	<u>(8,416)</u>	<u>5,037</u>
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX	<u>(2,879)</u>	<u>4,323</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>62,133</u>	<u>11,915</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:		
Owners of the parent	<u>55,380</u>	6,590
Non-controlling interest	<u>6,753</u>	<u>5,325</u>
	<u>62,133</u>	<u>11,915</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	<i>Notes</i>	2025 RMB'000	2024 <i>RMB'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		24,186	3,508
Right-of-use assets		6,046	7,347
Goodwill		6,422	6,422
Other intangible assets		1,719	3,086
Interest in associates		12,009	12,000
Deferred tax assets		13,616	12,965
Prepayments and other deposits		55,347	56,861
Financial assets at fair value through profit or loss	14	60,495	—
Total non-current assets		179,840	102,189
CURRENT ASSETS			
Accounts receivable	12	982,401	837,923
Prepayments, deposits and other receivables		1,117,657	785,113
Restricted bank deposits	13	16,326	11,326
Cash and cash equivalents	13	533,211	591,487
Total current assets		2,649,595	2,225,849
CURRENT LIABILITIES			
Trade and bills payable	15	385,217	187,330
Other payables and accruals		166,773	149,020
Contract liabilities		159,247	36,608
Interest-bearing bank borrowings	16	434,400	422,670
Lease liabilities		3,720	4,623
Income tax payable		109,496	112,634
Total current liabilities		1,258,853	912,885
NET CURRENT ASSETS		1,390,742	1,312,964
TOTAL ASSETS LESS CURRENT LIABILITIES		1,570,582	1,415,153
NON-CURRENT LIABILITIES			
Lease liabilities		2,467	2,598
Deferred tax liabilities		422	760
Total non-current liabilities		2,889	3,358
Net assets		1,567,693	1,411,795

	2025	2024
	RMB'000	RMB'000

EQUITY

Equity attributable to owners of the parent

Issued capital	2	1
Treasury shares	(20,041)	—*
Other reserves	1,421,149	1,325,819
	1,401,110	1,325,820
Non-controlling interest	166,583	85,975
Total equity	1,567,693	1,411,795

* The amount is less than RMB1,000.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025

Attributable to owners of the parent

	Issued capital RMB'000	Treasury shares RMB'000	Share premium* RMB'000	Capital reserve* RMB'000	Employee share-based compensation reserve* RMB'000	Statutory reserve funds* RMB'000	Exchange fluctuation reserve* RMB'000	Accumulated losses* RMB'000	Sub-total RMB'000	Non- controlling interest RMB'000	Total RMB'000
At 1 January 2025	1	-#	1,851,738	9,532	50,873	26,001	(25,432)	(586,893)	1,325,820	85,975	1,411,795
Profit for the year	-	-	-	-	-	-	-	58,259	58,259	6,753	65,012
Other comprehensive loss for the year:											
Exchange differences	-	-	-	-	-	-	(2,879)	-	(2,879)	-	(2,879)
Total comprehensive (loss)/ income for the year	-	-	-	-	-	-	(2,879)	58,259	55,380	6,753	62,133
Issuance of shares	1	-	39,950	-	-	-	-	-	39,951	-	39,951
Repurchase of ordinary shares	-	(20,041)	-	-	-	-	-	-	(20,041)	-	(20,041)
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(5,141)	(5,141)
Capital injection from non-controlling interest	-	-	-	-	-	-	-	-	-	78,400	78,400
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	596	596
Vested restricted share units transferred to employees	-	-	8,738	-	(8,738)	-	-	-	-	-	-
At 31 December 2025	<u>2</u>	<u>(20,041)</u>	<u>1,900,426</u>	<u>9,532</u>	<u>42,135</u>	<u>26,001</u>	<u>(28,311)</u>	<u>(528,634)</u>	<u>1,401,110</u>	<u>166,583</u>	<u>1,567,693</u>

FOR THE YEAR ENDED 31 DECEMBER 2024

Attributable to owners of the parent

	Issued capital RMB'000	Treasury shares RMB'000	Share premium* RMB'000	Capital reserve* RMB'000	Employee share-based compensation reserve* RMB'000	Statutory reserve funds* RMB'000	Exchange fluctuation reserve* RMB'000	Accumulated losses* RMB'000	Sub-total RMB'000	Non- controlling interest RMB'000	Total RMB'000
At 1 January 2024	1	-#	1,846,179	9,532	56,432	26,001	(29,755)	(589,160)	1,319,230	85,746	1,404,976
Profit for the year	-	-	-	-	-	-	-	2,267	2,267	5,325	7,592
Other comprehensive income for the year:											
Exchange differences	-	-	-	-	-	-	4,323	-	4,323	-	4,323
Total comprehensive income for the year	-	-	-	-	-	-	4,323	2,267	6,590	5,325	11,915
Dividend paid to the non-controlling interest	-	-	-	-	-	-	-	-	-	(5,096)	(5,096)
Vested restricted share units transferred to employees	-	-	5,559	-	(5,559)	-	-	-	-	-	-
At 31 December 2024	<u>1</u>	<u>-#</u>	<u>1,851,738</u>	<u>9,532</u>	<u>50,873</u>	<u>26,001</u>	<u>(25,432)</u>	<u>(586,893)</u>	<u>1,325,820</u>	<u>85,975</u>	<u>1,411,795</u>

The amount is less than RMB1,000.

* These reserve accounts comprise the consolidated other reserves of RMB1,421,149,000 (2024: RMB1,325,819,000) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	77,492	16,412
Adjustments for:		
Finance costs	16,529	14,561
Foreign exchange gain, net	(1,029)	–
Bank interest income	(1,018)	(1,564)
Impairment loss/ (reversal of impairment loss) on accounts receivable	2,471	(1,528)
Depreciation of property, plant and equipment	4,342	946
Depreciation of right-of-use assets	4,717	8,740
Amortisation of intangible assets	1,367	1,367
Share of (profit)/loss in an associate	(9)	1,000
Impairment loss on goodwill	–	26,017
Gain on lease modification and termination	(483)	(16)
Loss on disposal of property, plant and equipment	3	–
	<hr/>	<hr/>
Operating cash flows before working capital changes	104,382	65,935
Increase in accounts receivable	(124,325)	(155,631)
Increase in prepayments, deposits and other receivables	(336,436)	(183,746)
Decrease in long-term prepayments and other deposits	1,514	27,270
Increase in trade and bills payable	194,555	112,949
Increase in contract liabilities	85,159	14,618
Increase in other payables and accruals	16,399	65,376
	<hr/>	<hr/>
Cash used in operations	(58,752)	(53,229)
Interest received	1,018	1,564
Income tax paid	(16,607)	(8,681)
	<hr/>	<hr/>
Net cash flows used in operating activities	(74,341)	(60,346)

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
CASH FLOWS FROM INVESTING ACTIVITIES		
Refund for acquisition of equity investments	21,368	3,500
Proceeds from disposal of equipment	–	40
Prepayments for acquisition of equipment	–	(6,129)
Purchase of property, plant and equipment	(18,892)	(2,855)
Decrease in time deposits with original maturity over three months	–	2,651
Capital injection into an associate	–	(1,000)
Acquisition of a subsidiary, net of cash acquired	(467)	–
Purchase of financial asset at fair value through profit or loss	<u>(60,495)</u>	<u>–</u>
Net cash flows used in investing activities	<u>(58,486)</u>	<u>(3,793)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of bank loans	596,410	596,668
Repayment of bank loans	(587,680)	(437,498)
Principal portion of lease payments	(3,951)	(10,193)
Interest paid on bank borrowings	(16,105)	(12,765)
Interest paid on lease liabilities	(424)	(751)
Dividend paid	(5,141)	(5,096)
Increase of restricted bank deposits	(5,000)	(952)
Payments for repurchase of ordinary shares	(20,041)	–
Capital injection from non-controlling interest	78,400	–
Proceeds from the issuance of ordinary shares	<u>39,951</u>	<u>–</u>
Net cash flows generated from financing activities	<u>76,419</u>	<u>129,413</u>
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		
	(56,408)	65,274
Cash and cash equivalents at beginning of year	591,487	521,874
Net foreign exchange difference	<u>(1,868)</u>	<u>4,339</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>533,211</u>	<u>591,487</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	<u>533,211</u>	<u>591,487</u>
Cash and cash equivalents as stated in the consolidated statement of financial position and consolidated statement of cash flows	<u>533,211</u>	<u>591,487</u>

NOTES

FOR THE YEAR ENDED 31 DECEMBER 2025

1. CORPORATE AND GROUP INFORMATION

Wanka Online Inc. (the “**Company**”) is a limited liability company incorporated in the Cayman Islands on 7 November 2014. Its registered office address is Cricket Square, Hutchins Drive P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company, together with its subsidiaries, is collectively referred to as the Group.

During the year, the Company and its subsidiaries were mainly involved in the mobile advertising services, online-video distribution services, game co-publishing services and software maintenance services.

In the opinion of the directors, the ultimate controlling party of the Group is Wanka Media Limited, a company wholly owned by Mr. GAO Dinan, the chairman and executive Director.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards (“**HKFRS**”), Hong Kong Accounting Standards (“**HKAS**”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for the financial assets at fair value through profit or loss that are measured at fair value. These consolidated financial statements are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand except when otherwise indicated.

3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

In the current year, the Group has adopted all the new and revised HKFRS Accounting Standards issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on January 1, 2025. HKFRS Accounting Standards comprise HKFRS; HKAS; and Interpretations. The adoption of these new and revised HKFRS Accounting Standards did not result in significant changes to the Group’s accounting policies, presentation of the Group’s consolidated financial statements and amounts reported for the current year and prior years.

The Group has not applied the new and revised HKFRS Accounting Standards that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRS Accounting Standards but is not yet in a position to state whether these new and revised HKFRS Accounting Standards would have a material impact in its results of operations and financial position.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

5. SEGMENT INFORMATION

The segment revenue for the years ended 31 December 2025 and 2024 is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Type of goods or services:		
Mobile advertising services income	4,275,205	2,563,730
Online-video distribution services income	–	20,108
Game co-publishing services income	3,085	6,529
Software maintenance services income	<u>20,858</u>	<u>36,904</u>
Total revenue from contracts with customers	<u>4,299,148</u>	<u>2,627,271</u>
Timing of revenue recognition:		
Services transferred at a point in time	–	20,108
Services transferred over time	<u>4,299,148</u>	<u>2,607,163</u>
Total revenue from contracts with customers	<u>4,299,148</u>	<u>2,627,271</u>

The segment results for the years ended 31 December 2025 and 2024 are as follows:

For the year ended 31 December 2025

	Mobile advertising services <i>RMB'000</i>	Online-video distribution services <i>RMB'000</i>	Game co-publishing services <i>RMB'000</i>	Software maintenance services <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue	4,275,205	–	3,085	20,858	4,299,148
Segment cost of sales	<u>(3,852,887)</u>	<u>–</u>	<u>–</u>	<u>(14,499)</u>	<u>(3,867,386)</u>
Segment results	<u>422,318</u>	<u>–</u>	<u>3,085</u>	<u>6,359</u>	<u>431,762</u>

For the year ended 31 December 2024

	Mobile advertising services <i>RMB'000</i>	Online-video distribution services <i>RMB'000</i>	Game co-publishing services <i>RMB'000</i>	Software maintenance services <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue	2,563,730	20,108	6,529	36,904	2,627,271
Segment cost of sales	<u>(2,340,681)</u>	<u>(20,382)</u>	<u>–</u>	<u>(32,170)</u>	<u>(2,393,233)</u>
Segment results	<u>223,049</u>	<u>(274)</u>	<u>6,529</u>	<u>4,734</u>	<u>234,038</u>

The Group had no major customers which contributed more than 10% of the total revenue for the years ended 31 December 2025 and 2024.

5. SEGMENT INFORMATION (Continued)

The Group principally operates in Chinese Mainland. Revenue derived from Chinese Mainland represents 95.35% (2024: 98.77%) of the total revenue for the year ended 31 December 2025 based on the location of services delivered. During the year ended 31 December 2025 and 2024, breakdown of the total revenue and non-current assets by geographical location are as follows:

	Revenue		Non-current assets*	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Chinese Mainland	4,099,145	2,594,920	47,757	38,430
Other countries/ regions	<u>200,003</u>	<u>32,351</u>	<u>2,625</u>	<u>62</u>
	<u>4,299,148</u>	<u>2,627,271</u>	<u>50,382</u>	<u>38,492</u>

* The non-current assets information above is based on the locations of the assets excluding deferred tax assets and financial instruments.

6. OTHER INCOME AND NET GAINS OR LOSSES

An analysis of other income and net gains or losses is as follows:

	2025 RMB'000	2024 RMB'000
Other income from contracts with customers, within the scope of HKFRS 15: Conference service income, net (<i>Note (a)</i>)	<u>9,946</u>	<u>7,162</u>
Bank interest income	1,018	1,564
Government grants (<i>Note (b)</i>)	2,424	206
Others	<u>1,483</u>	<u>(436)</u>
	<u>4,925</u>	<u>1,334</u>
	<u>14,871</u>	<u>8,496</u>

Notes:

- (a) All the conference service income of the Group is recognised at point in time as those services are provided under HKFRS 15.
- (b) The Group recognises the government grants when it fulfils all the conditions specified in the relevant law and regulations. There are no unfulfilled conditions or contingencies relating to these grants. During the year ended 31 December 2025, the government grants include subsidies from the local government of approximately RMB2,424,000 (2024: RMB206,000).

7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	2025	2024
	RMB'000	RMB'000
Cost of services, including	3,867,386	2,393,233
– Advertising publishers' platform or website	3,834,727	2,332,163
– Video content providers	8,080	20,099
– Maintenance support	12,945	30,593
Depreciation and amortisation	10,426	11,053
Auditor's remuneration	1,800	1,800
Lease payments not included in the measurement of lease liabilities	4,400	505
Employee benefit expenses (excluding directors' and chief executive's remuneration):		
Wages and salaries [^]	69,149	65,839
Pension scheme contributions ^{^^}	10,178	9,114
	<u>79,327</u>	<u>74,953</u>

[^] Wages and salaries (excluding directors' and chief executive's remuneration) amounting to RMB7,106,000, RMB14,101,000, RMB32,209,000 and RMB15,733,000 are included in "Cost of sales", "Selling and distribution expenses", "Research and development costs" and "Administrative expenses" respectively in the consolidated statement of profit or loss.

^{^^} At 31 December 2025, the Group had no forfeited contributions available to reduce its contributions to the pension schemes of future years (2024: Nil).

8. FINANCE COSTS

An analysis of finance costs is as follows:

	2025 RMB'000	2024 RMB'000
Interest on bank borrowings	16,105	13,810
Interest on lease liabilities	424	751
	<u>16,529</u>	<u>14,561</u>

9. INCOME TAX EXPENSE

The Company is incorporated under the law of the Cayman Islands and is not subject to the Cayman Islands income tax.

No provision for Hong Kong profits tax has been made as the Group had accumulated tax losses in Hong Kong thus the unrecognized tax loss brought forward has been utilized to fully offset the relevant assessable profit in Hong Kong during the year ended 31 December 2025 and did not generate any assessable profits arising in Hong Kong during the year ended 31 December 2024. The income tax expense of the Group for the years ended 31 December 2025 and 2024 comprised current tax expense related to the Group's operations in Chinese Mainland and deferred tax expense or income.

The income tax provision of the Group in respect of its operations in Chinese Mainland was calculated at the tax rate of 25% on the estimated assessable profits for the periods, if applicable, based on the existing legislation, interpretations and practice in respect thereof, except for three (2024: three) PRC subsidiaries, which are entitled to preferential tax treatment of 15% for three years as they are qualified as "high and new technology enterprise ("HNTe")" and one PRC subsidiary (2024: nil), which is entitled to other preferential tax treatment of a reduced tax rate of 15%.

Wanka Huanju Information Technology (Beijing) Co., Ltd.* ("玩咖歡聚信息技術(北京)有限公司") (formerly known as Huanju Times Culture Media (Beijing) Co., Ltd.* ("歡聚時代文化傳媒(北京)有限公司") ("Huanju Information")) has obtained the certificate of HNTe effective from 2 November 2022, and was registered with the local tax authority to be eligible for a concessionary tax rate of 15% for three years from 2022 to 2024. The certificate of HNTe was then renewed on 2 December 2025, and the eligibility of the concessionary tax rate of 15% was extended to 2027.

Wanka Huanju Technology (Beijing) Co., Ltd.* ("玩咖歡聚科技(北京)有限公司") (Formerly known as Wanka Huanju Cultural Media (Beijing) Co., Ltd.* ("玩咖歡聚文化傳媒(北京)有限公司") ("Wanka Huanju")) has obtained the certificate of HNTe effective from 30 November 2023, and was registered with the local tax authority to be eligible for a concessionary tax rate of 15% for three years from 2023 to 2025.

Zhonghe Channel Management Co., Ltd.* ("中和渠道管理有限公司") has obtained the certificate of HNTe effective from 28 October 2025, and was registered with the local tax authority to be eligible for a concessionary tax rate of 15% for three years from 2025 to 2027.

In accordance with the Announcement of the Hainan Provincial Tax Service of the State Taxation Administration on Issues Concerning the Continued Implementation of the Preferential Enterprise Income Tax Policies for the Hainan Free Trade Port (Announcement No. 2 of 2025 of the Hainan Provincial Tax Service of the State Taxation Administration), enterprises of the encouraged categories registered in the Hainan Free Trade Port (hereinafter referred to as the "Free Trade Port") and engaged in substantive operations are subject to enterprise income tax at a reduced rate of 15%. Hainan Kunchuang Technology Co., Ltd.* ("海南鯤創科技有限責任公司") is subject to enterprise income tax at a reduced rate of 15%.

	2025 RMB'000	2024 RMB'000
Current – Chinese Mainland		
Charge for the year	13,469	8,406
Deferred tax (credit)/expense	(989)	414
Total tax charge for the year	<u>12,480</u>	<u>8,820</u>

* For identification purposes only

10. DIVIDEND

No dividend have been paid or declared by the Company during the year ended 31 December 2025 (2024: Nil).

11. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,689,568,501 (2024: 1,504,792,719) in issue excluding the treasury shares during the year.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

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

	2025	2024
Profit for the year attributable to owners of the parent used in the basic and diluted earnings per share calculation (RMB'000)	58,259	2,267
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	1,689,568,501	1,504,792,719
Effect of dilution – weighted average number of ordinary shares: Restricted share units	<u>17,846,553</u>	<u>20,950,631</u>
	<u>1,707,415,054</u>	<u>1,525,743,350</u>

12. ACCOUNTS RECEIVABLE

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Accounts receivable	1,036,616	893,264
Loss allowance	<u>(54,215)</u>	<u>(55,341)</u>
Total	<u>982,401</u>	<u>837,923</u>

The Group's trading terms with its customers are partially on credit, except for new customers, where payment in advance is normally required. For mobile advertising services, online video distribution services, game co-publishing services and software maintenance services, the credit period is generally three months for major customers. The Group seeks to maintain strict control over its outstanding receivables to minimise the credit risk. Overdue balance is reviewed regularly by the management. The Group does not hold any collateral and other credit enhancements over these balances. Accounts receivable are non-interest-bearing.

An ageing analysis of the accounts receivable as at the end of the reporting period, based on the revenue recognition date and net of loss allowance, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 3 months	615,353	485,447
3 to 12 months	358,992	347,573
1 to 2 years	<u>8,056</u>	<u>4,903</u>
	<u>982,401</u>	<u>837,923</u>

12. ACCOUNTS RECEIVABLE (Continued)

The movements in the loss allowance for impairment of accounts receivable are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
At beginning of year	55,341	56,869
Receivable written off during the year as uncollectible	(3,597)	–
Impairment loss/(reversal of impairment)	<u>2,471</u>	<u>(1,528)</u>
At end of year	<u><u>54,215</u></u>	<u><u>55,341</u></u>

13. CASH AND CASH EQUIVALENTS AND RESTRICTED BANK DEPOSITS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Cash and bank balances	549,537	602,813
Less: Restricted bank deposits:		
Pledged for bills payable (<i>Note 15</i>)	(15,000)	(10,000)
Bank deposits for performance guarantee	<u>(1,326)</u>	<u>(1,326)</u>
	<u>(16,326)</u>	<u>(11,326)</u>
Cash and cash equivalents	<u><u>533,211</u></u>	<u><u>591,487</u></u>
Denominated in:		
– RMB	518,823	582,273
– USD	10,625	5,380
– HK\$	3,746	3,834
– SGD	<u>17</u>	<u>–</u>
	<u><u>533,211</u></u>	<u><u>591,487</u></u>

RMB is not freely convertible into other currencies. However, under Chinese Mainland's prevailing rules and regulations over foreign exchange, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets mandatorily measured at fair value through profit or loss ("FVTPL"):

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Investments in unlisted funds (<i>Note a</i>)	<u><u>60,495</u></u>	<u><u>–</u></u>

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

The movements of the fair value of financial assets at FVTPL are as follows:

	2025 RMB'000	2024 RMB'000
At 1 January	—	—
Addition	<u>60,495</u>	<u>—</u>
At 31 December	<u><u>60,495</u></u>	<u><u>—</u></u>

Notes:

- (a) On 7 February 2025, Huanju Information entered into a partnership agreement with other four partners to establish Chongqing Jiangbei Rongka Private Equity Investment Fund Partnership (Limited Partnership)* (“重慶江北融咖私募股權投資基金合夥企業（有限合夥）”) (the “Partnership I”). The Company, as the limited partner, holds 50% of the equity interest of the Partnership I. The objective of the Partnership I is to leveraging on the strength of the corporate structure of limited partnership, through the direct and indirect investments in selected projects, manage and utilise the assets of the Partnership I in a professional manner, in order to achieve the appreciation of its capital assets and create good investment returns for the partners. The cost of the investment amounted to RMB10,500,000, among which RMB 5,000,000 was paid out in May 2025 and RMB 5,500,000 was paid out in October 2025 respectively. The fair value as at 31 December 2025 approximates its investment cost.

On 20 November 2025, Guangdong Wanjia Fenghe Technology Ltd* (“廣東萬加楓和科技有限公司”) entered into a partnership agreement with other two partners to establish Qingwu Venture Capital (Shenzhen) Partnership (Limited Partnership)* (“青梧創業投資（深圳）合夥企業（有限合夥）”) (the “Partnership II”). The Company, as the limited partner, holds 33.33% of the equity interest of the Partnership II, while other two partners hold 0.1% and 66.57% of the equity interest of the Partnership II respectively. The objective of the Partnership II is to earn investment proceeds by equity investment activities and engaging in merger and acquisition activities in the PRC. The cost of the investment amounted to RMB49,995,000 and was paid out in December 2025. The fair value as at 31 December 2025 approximates its investment cost.

* For identification purposes only

15. TRADE AND BILLS PAYABLE

	2025 RMB'000	2024 RMB'000
Trade payables (a)	119,217	42,330
Bills payables	130,000	77,000
Trade payables under supplier finance arrangements (a, b)	<u>136,000</u>	<u>68,000</u>
	<u><u>385,217</u></u>	<u><u>187,330</u></u>

15. TRADE AND BILLS PAYABLE (CONTINUED)

- (a) An aged analysis of the Group's trade payable (including supplier finance arrangements) at the end of the reporting period, based on the invoice date, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 year	245,174	98,692
1 to 2 years	3,333	2,808
More than 2 years	<u>6,710</u>	<u>8,830</u>
	<u><u>255,217</u></u>	<u><u>110,330</u></u>

- (b) Trade payables under supplier finance arrangements

In order to ensure easy access to credit for its suppliers and facilitate early settlement, the Group has entered into supplier finance arrangements that allow certain suppliers to obtain payment from banks for the amounts billed 6 to 12 months before the invoice due date. The Group repays the banks the full invoice amount on the scheduled payment date as required by the invoice. As the arrangements are used for settling trade balances in the ordinary course of the Group's business, the Group considers amounts payable to the banks should be classified as trade and bills payables.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Carrying amount of liabilities of which suppliers have received payment	136,000	68,000
Range of payment due dates		
- Liabilities that are part of supplier finance arrangements	6-12 months	6-12 months
- Comparable trade payables that are not part of supplier finance arrangements	<u>60-90 days</u>	<u>60-90 days</u>

Changes in liabilities that are subject to supplier finance arrangements are primarily attributable to additions resulting from purchases of goods and services and subsequent cash settlements.

As at 31 December 2025, the Group's trade and bills payable of RMB35,000,000 (2024: RMB10,000,000) was secured by pledged deposits of RMB15,000,000 (2024: RMB10,000,000) provided by a subsidiary of the Company, Huanju Information.

16. INTEREST-BEARING BANK BORROWINGS

Details of the Group's interest-bearing bank borrowings as at 31 December 2025 and 2024 are as follows:

	As at 31 December 2025		
	Effective contractual interest rate (%)	Maturity	<i>RMB'000</i>
Current Bank loans – unsecured	2.15-6.05	2026	<u><u>434,400</u></u>
	As at 31 December 2024		
	Effective contractual interest rate (%)	Maturity	<i>RMB'000</i>
Current Bank loans – unsecured	2.30-4.10	2025	<u><u>422,670</u></u>

16. INTEREST BEARING BANK BORROWINGS (Continued)

	2025 RMB'000	2024 RMB'000
Analysed into:		
Bank loans repayable:		
Within one year or on demand	<u>434,400</u>	<u>422,670</u>

Notes:

- (a) As at 31 December 2025, the Group's bank borrowings of:
- (i) RMB20,000,000 was guaranteed by Mr. GAO Dinan ("Mr. Gao") and a subsidiary of the Company, Huanju Information;
 - (ii) RMB23,000,000 was guaranteed by Mr. Gao;
 - (iii) RMB120,000,000 was guaranteed by a subsidiary of the Company, Huanju Information;
 - (iv) RMB239,000,000 was guaranteed by Mr. Gao and a subsidiary of the Company, Wanka Huanju;
 - (v) RMB30,000,000 was guaranteed by Mr. Gao and the Company; and
 - (vi) RMB2,400,000 was not guaranteed.
- (b) As at 31 December 2024, the Group's bank borrowings of:
- (i) RMB250,000,000 was guaranteed by Mr. Gao and a subsidiary of the Company, Wanka Huanju;
 - (ii) RMB18,000,000 was guaranteed by Mr. Gao;
 - (iii) RMB30,000,000 was guaranteed by Mr. Gao and the Company;
 - (iv) RMB25,000,000 was guaranteed by Mr. Gao and a subsidiary of the Company, Huanju Information;
 - (v) RMB82,990,000 was guaranteed by a subsidiary of the Company, Huanju Information;
 - (vi) RMB10,000,000 was guaranteed by Mr. Gao and two subsidiaries of the Company, namely, Huanju Information and Suzhou Longying Software Development Co., Ltd.* ("蘇州龍盈軟件開發有限公司") ("Suzhou Longying"); and
 - (vii) RMB6,680,000 was not guaranteed.

* *For identification purposes only*

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The Group's overall risk management programme focuses on minimising potential adverse effects of these risks, with material impact, on the Group's financial performance. The board of directors reviews and agrees policies for managing each of these risks.

18. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation. The changes included the reclassification of certain balance of RMB 145,000,000 previously classified under interest-bearing bank borrowings to trade and bills payable. The related balance was utilised for the settlement of the trade balances in the course of conducting the business of the Group. The new classification of the accounting items was considered to provide a more appropriate presentation of the state of affairs of the Group.

BUSINESS REVIEW

In the current year, the Group has simultaneously enhanced its business scale and technological capabilities against the backdrop of rapid advancements in artificial intelligence technology and the continuous evolution of the mobile ecosystem. Leveraging on years of extensive experience in mobile distribution and marketing, the Group has continued to deepen its cooperation with globally leading smart device ecosystems, including major smartphone manufacturers such as Apple, Huawei, Xiaomi, OPPO, vivo, and HONOR. These efforts have further consolidated its dominant market position in the mobile marketing services industry.

At the industry level, China's online gaming market remained active, with a notable increase in the number of game licenses issued. In 2025, the issuance of game licenses continued to show signs of recovery, with a total of 1,771 licenses issued throughout the year, reaching a new high in the past seven years and representing an increase of over 20% as compared with 2024. There was an increased amount of content available for mobile marketing and distribution services.

At the technical level, the Group has continued to increase its investment in the research and development of artificial intelligence (AI), fully incorporating AI capabilities into its marketing service system. With the data resources and operational experience accumulated over years across various operating system ecosystems and from promotion channels, the Group has consistently improved its self-developed AI marketing agent. Through the intelligent upgrade in capabilities such as data analysis, placement decision-making, and performance optimisation, the accuracy and conversion efficiency of advertisement placements have been significantly improved. Empowered by AI technology, the return on investment (ROI) for advertisers has continued to rise, while customer repeat placement rates have also increased, promoting the Group's rapid growth in mobile advertising business. In the current year, revenue of the Group's mobile advertising amounted to RMB4,275.2 million, representing a year-on-year increase of 66.8%, fully demonstrating the business growth momentum driven by the synergy between technological capabilities and ecosystem resources.

In terms of ecosystem cooperation, the Group continues to deepen its collaborative relationships with major smartphone manufacturers. The Group has been awarded the "Petal Ads Platinum Provider" certification in the Petal Ads N1 under Huawei's HarmonyOS ecosystem. This certification represents the highest level within Huawei's service provider system, signifying that the partner has achieved industry-leading capabilities in all-scenario data insights, traffic operations across devices and marketing services. This recognition has further elevated the Group's partnership level within the HarmonyOS ecosystem marketing system and has laid a more solid foundation for ecological collaboration in the rapidly growing all-scenario smart market. Additionally, the Group's subsidiaries have gained Apple Ads certification and the "2025 Greater China Advertising Partnership Excellence Award" awarded by Xiaomi International Internet, further highlighting the Group's comprehensive strength in smart marketing service and ecosystem partnerships.

BUSINESS OUTLOOK

Looking ahead to 2026, the Group will continue to be driven by technological innovation and ecosystem synergy, focusing on three major strategies—the “Full Service Distribution”, the “Dual Engines of AI and Global Expansion,” and the “Forward-looking Deployment of AI-powered Smartphones”—to drive sustainable business growth.

Full Service Distribution and Ecosystem Enhancement

The Group will fully leverage on the advantages of different distribution channels, deepen its presence in the Android ecosystem, and provide efficient services to leading smartphone manufacturers, including Xiaomi, OPPO, vivo, and HONOR. At the same time, the Group will expand its global business with Apple’s iOS and seize the opportunities presented by the rapid development of Huawei’s HarmonyOS to strengthen comprehensive cooperation. On this basis, the Group will continue to advance the construction of data infrastructure, build a unified AI data platform and data standardisation system, integrate traffic and behavioral data across multiple devices and operating systems, and enhance cross-ecosystem data synergy and the efficiency of advertisement placement, thereby laying a solid foundation for scalable business growth.

Dual Engines of AI and Global Expansion

The Group will continue to increase research and development investment in its self-developed AI marketing agent. Leveraging on the AI data platform, the Group will conduct in-depth analysis and modeling of massive traffic and user behavior data. Through intelligent algorithms, the Group will improve the precision of advertisement placement and ROI, thereby increasing customer repurchase rates and creating a major driving force for revenue growth. At the same time, the Group will accelerate its expansion into overseas markets, continue to expand its channels for conducting international partnership, and leverage on its data and technological strengths to support Chinese enterprises in their global expansion. We aim to further increase the proportion of overseas revenue and maintain overall rapid growth.

Forward-looking Deployment of AI-powered Smartphones

As AI-powered smartphones gradually become the new trend for mobile smart devices, the Group will focus on the technological research and development of AI agent based on three major operating systems, namely, iOS, Android, and HarmonyOS, to seize market opportunities over the next five to ten years. In the future, the Group will also integrate the AI data platform to continuously explore diversified business application scenarios for AI agent in the edge ecosystem. By continuously refining its data standardisation framework and consolidating data assets in vertical industries, the Group aims to promote the research, development and application of AI agent tailored to industry-specific scenarios, gradually forming a closed-loop intelligent commercialisation system that integrates data, algorithms and applications.

Cooperation and Ecosystem Influence

The Group will continue to maintain close cooperation with mobile standard alliances and partners, hosting technology seminars and industry summits to strengthen the community ecosystem and further enhance the influence of the alliance, create more value for ecosystem participants and promote the healthy development of the industry.

FINANCIAL REVIEW AND PROSPECT

Benefiting from a modest increase in market share and the self-developed AI marketing agent, which enhances advertisers' ROI and repeat replacement rates, the Group maintained steady financial growth in 2025. Revenue from the mobile advertising business reached RMB4,275.2 million, representing a year-on-year increase of 66.8%, among which revenue from overseas business increasing by 518.2% year-on-year, maintaining its rapid growth. Gross profit reached RMB431.8 million, representing a year-on-year increase of 84.5%; adjusted EBITDA amounted to RMB104.4 million, representing a year-on-year increase of 53.5%; and adjusted net profit amounted to RMB65.0 million, representing a year-on-year increase of 93.4%. Total assets amounted to RMB2,829.4 million, representing a year-on-year increase of 21.5%, while total equity stood at RMB1,567.7 million, representing a year-on-year increase of 11.0%.

Looking ahead to 2026, the Group will continue to optimise its financial structure, enhance the efficiency of capital utilisation, and rationalise our capital expenditures to ensure rapid business expansion while maintaining financial stability, thereby creating long-term, and sustainable value for shareholders of the Company.

RISK MANAGEMENT AND INTERNAL CONTROL

The Group places high importance on risk management and internal control, and has established a comprehensive internal control system to ensure operational compliance and accuracy of financial reporting. During 2025, we continued to assess and optimise the internal control system to maintain its effective operation. We conducted thorough identification and evaluation of various risks, formulating corresponding risk mitigation strategies to minimise their operational impacts.

Regarding foreign exchange risk management, although the Group's subsidiaries primarily operate in the PRC and are exposed to foreign exchange risk arising from currency exposures primarily with respect to the US dollars, the Singapore dollars and the Hong Kong dollars, we did not hedge against any fluctuation in foreign currencies during the year ended 31 December 2025. Going forward, we will implement appropriate foreign exchange risk management measures in response to market conditions and business requirements.

In credit risk management, we rigorously assess clients' creditworthiness and implement stringent credit control measures to mitigate bad debt risks associated with trade receivables. For liquidity risk management, we maintain sufficient cash reserves and prudently allocate capital resources to ensure healthy liquidity positions that meet operational needs and debt repayment obligations.

CONCLUSION

2025 has been a year of rapid evolution and significant development for the Group. We have achieved significant milestones in business expansion, technological innovation, research and development of AI agent, and overseas market expansion, further consolidating our leading position in the mobile advertising and smart marketing industry. Looking ahead, we will consider ecosystem collaboration and technological innovation as our core drivers to continuously optimise our full service distribution capabilities, deepen synergies with leading mobile ecosystems and partners, and proactively expand into AI-powered mobile devices and AI agent applications to capitalise on industry growth opportunities over the next five to ten years. With sustained investment and strategic planning, we firmly believe that the Group will continuously enhance its core competitiveness, create long-term, sustainable value for shareholders, and contribute to the healthy development of the entire digital marketing and smart mobile ecosystem.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenues

Our revenues from mobile advertising services increased by 66.8% from RMB2,563.7 million in 2024 to RMB4,275.2 million in 2025, mainly due to our endeavour in continuously engaging in partnerships with top-tier smartphone manufacturers such as Huawei, Xiaomi, OPPO, vivo, Honor and Apple.

The following table sets forth the comparative figures for the periods indicated.

	Year ended 31 December			
	2025		2024	
	<i>RMB'000</i>	<i>% of total revenues</i>	<i>RMB'000</i>	<i>% of total revenues</i>
Revenues				
Mobile advertising	4,275,205	99.4%	2,563,730	97.6%
Online-video distribution	–	–	20,108	0.8%
Game co-publishing	3,085	0.1%	6,529	0.2%
Others*	20,858	0.5%	36,904	1.4%
Total	<u>4,299,148</u>	<u>100%</u>	<u>2,627,271</u>	<u>100%</u>

* Includes revenue from software maintenance services

Mobile Advertising Services

We generated revenues by distributing advertisements of marketers' mobile apps and mobile games in the distribution channels of our Mobile Hardcore Alliance (the "MHA") members which consist of eight Android smartphone manufacturers in China, non-MHA smartphone manufacturers and non-smartphone manufacturer distribution channel suppliers. We also offered a variety of advertising formats across our distribution channels, including app store search ads, in-feed ads, banner ads, interstitial ads and splash screen ads, to suit our customers' specific needs. The following table sets forth a breakdown of our advertising revenues by source for the periods indicated:

	Year ended 31 December			
	2025		2024	
	<i>RMB'000</i>	<i>% of total revenues</i>	<i>RMB'000</i>	<i>% of total revenues</i>
Mobile game distribution	3,168,116	74.1%	2,478,110	96.7%
Non mobile game distribution	1,107,089	25.9%	85,620	3.3%
Total	<u>4,275,205</u>	<u>100%</u>	<u>2,563,730</u>	<u>100%</u>

Our mobile advertising revenue generated from distribution of mobile games increased from RMB2,478.1 million in 2024 to RMB3,168.1 million in 2025. The increase was primarily due to the increase in the number of mobile games we marketed and expansion in the mobile game distribution channels from smartphone manufacturers. Our mobile advertising revenue from non-mobile game distribution increased from RMB85.6 million in 2024 to RMB1,107.1 million in 2025, which was primarily due to the increase in the number of mobile apps we marketed.

Game Co-publishing Services

We offer one-stop game co-publishing services to game developers, which include game optimisation, marketing, promotion, distribution, monetisation and other user-related services. Leveraging on our extensive experiences in game co-publishing, amassed data volume and technical know-how, we actively identified and sourced new game contents as well as optimised existing game contents based on our in-depth understanding of user profiles, preferences, tastes, and playing habits. Moreover, based on our close relationship with various smartphone-based distribution channels, we allocated game marketing and promotion resources more efficiently and effectively, with insights into the strategies in determining timing of offer and type of virtual items based on user behavior and in-game spending.

Our revenues from game co-publishing services decreased by 52.7% from RMB6.5 million in 2024 to RMB3.1 million in 2025, which was primarily due to the decrease in the number of games we co-published during the year of 2025.

Cost of Sales

Our cost of sales primarily consisted of distribution fees incurred for advertisement placements on the distribution channels, labor costs and amortisation expenses.

Our cost of sales increased by 61.6% from RMB2,393.2 million in 2024 to RMB3,867.4 million in 2025. This increase was primarily driven by the increase in distribution fees to our distribution channels, which was in line with the increase in our revenues during 2025.

Gross Profit and Margins

As a result of the foregoing, our gross profit increased by 84.5% from RMB234.0 million in 2024 to RMB431.8 million in 2025. The increase in gross profit was primarily due to the increase in the transaction volume on our platform across mobile advertising services during 2025.

The increase in gross profit margin from 8.9% in 2024 to 10.0% in 2025, mainly attributed to the strategic application of AI technology effectively reducing the Group's operating costs by algorithmically automating processes such as user analysis, placement optimisation and performance monitoring, thereby driving consistent growth in gross profit.

Other Income and Gains

Other income and gains increased from RMB8.5 million in 2024 to RMB14.9 million in 2025, primarily due to the increase in our conference service.

Selling and Distribution Expenses

Selling and distribution expenses primarily consisted of sales employee salaries and related benefit expenses, traveling costs, conference costs and marketing expenses. Our selling and distribution expenses increased by 289.9% from RMB32.1 million in 2024 to RMB125.2 million in 2025, which was mainly attributable to the increase in marketing and advertising expenses.

Research and Development Costs

Research and development costs primarily consisted of fees paid to third party consulting service providers and employee salaries and related benefit expenses. Our research and development costs increased by 77.0% from RMB92.9 million in 2024 to RMB164.5 million in 2025, primarily due to the increase in research expenses of our systems.

Impairment Loss on Accounts Receivable

Approximately RMB2.5 million of impairment loss is provided in 2025, primarily taking into account the provision for expected credit loss according to the historical information from our accounts receivable.

Administrative Expenses

Our administrative expenses increased by 12.6% from RMB51.2 million in 2024 to RMB57.6 million in 2025, which was mainly attributable to the increase in staff costs and related expenses.

Other Expenses and Losses

Other expenses and losses decreased from RMB9.9 million in 2024 to RMB2.9 million in 2025, primarily due to decrease in the foreign exchange losses.

Finance Costs

Our finance costs increased from RMB14.6 million in 2024 to RMB16.5 million in 2025, primarily due to the increase of our bank borrowings during the year.

Income Tax Expense

Our income tax expense increased from RMB8.8 million in 2024 to RMB12.5 million in 2025. The increase was primarily attributable to the increase in taxable profit of our subsidiaries in the PRC.

Profit for the Year

As a result of the reasons discussed above, profit for the year was RMB65.0 million in 2025, as compared to profit for the year of RMB7.6 million in 2024.

Non-HKFRS Measures

To supplement our consolidated financial statements, which are presented in accordance with the HKFRS Accounting Standards, we also use adjusted EBITDA and adjusted net profit as additional financial measures, which are unaudited and not required by, or presented in accordance with, HKFRS Accounting Standards. We present these financial measures because they are used by our management to evaluate our financial performance by eliminating the impact of items that we do not consider indicative of our business performance. We also believe that these non-HKFRS measures provide additional information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management compare our financial results across accounting periods and with those of our peer companies.

We define adjusted EBITDA as profit for the year without considering depreciation, amortisation, finance cost, income tax expense and impairment loss on goodwill (“**Adjusted EBITDA**”). We define adjusted net profit as profit for the year without considering impairment loss on goodwill (“**Adjusted Net Profit**”). The terms Adjusted EBITDA and Adjusted Net Profit are not defined under the HKFRS Accounting Standards. The use of Adjusted EBITDA and Adjusted Net Profit has material limitations as an analytical tool, as they do not include all items that impact our profit or loss for the relevant years. The effect of items eliminated from Adjusted EBITDA and Adjusted Net Profit is a significant component in understanding and assessing our operating and financial performance.

Non-HKFRS Measures (Continued)

In light of the foregoing limitations for Adjusted EBITDA and Adjusted Net Profit, when assessing our operating and financial performance, you should not view Adjusted EBITDA and Adjusted Net Profit in isolation or as a substitute for our profit for the year or any other operating performance measure that is calculated in accordance with HKFRS Accounting Standards. In addition, because these non-HKFRS measures may not be calculated in the same manner by all companies, they may not be comparable to other measures with similar title used by other companies.

The following tables reconcile our Adjusted EBITDA and Adjusted Net Profit for the periods presented to the most directly comparable financial measures calculated and presented in accordance with HKFRS Accounting Standards. Adjusted EBITDA and Adjusted Net Profit are not required by, or presented in accordance with, HKFRS Accounting Standards.

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Profit for the year	65,012	7,592
Add:		
Depreciation	9,059	9,686
Amortisation of intangible assets	1,367	1,367
Finance costs	16,529	14,561
Income tax expense	12,480	8,820
Impairment loss on goodwill	—	26,017
Adjusted EBITDA (unaudited)	104,447	68,043
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Profit for the year	65,012	7,592
Add:		
Impairment loss on goodwill	—	26,017
Adjusted Net Profit (unaudited)	65,012	33,609

Selected Financial Information from Our Consolidated Statement of Financial Position

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Cash and bank balances	549,537	602,813
Bank borrowings	434,400	422,670
Current assets	2,649,595	2,225,849
Current liabilities	1,258,853	912,885
Net current assets	1,390,742	1,312,964
Total equity	1,567,693	1,411,795

Cash and Bank Balances

As at 31 December 2025, we had cash and bank balances of RMB549.5 million, as compared with RMB602.8 million as at 31 December 2024. The decrease in cash and bank balances was mainly due to the Group's investing activities. Our cash and bank balances were denominated in Renminbi, the US dollars, the Hong Kong dollars and the Singapore dollars.

Bank Borrowings

Our bank borrowings as at 31 December 2025 increased to RMB434.4 million as compared with RMB422.7 million as at 31 December 2024. The increase in bank borrowings was primarily due to the increase in external loans used for our business expansion. For more details, please refer to note 16 to the consolidated financial information in this announcement.

Net Current Assets

Our net current assets were RMB1,390.7 million as at 31 December 2025, as compared to RMB1,313.0 million as at 31 December 2024. Our current assets were RMB2,649.6 million as at 31 December 2025, as compared to RMB2,225.8 million as at 31 December 2024, primarily due to the increase in accounts receivables and prepayments, deposits and other receivables. Our prepayments, deposits and other receivables were RMB1,117.7 million as at 31 December 2025, as compared to RMB785.1 million as at 31 December 2024, which was mainly attributable to the increase in purchase of prepaid data traffic for the Group's business development needs. Our current liabilities were RMB1,258.9 million as at 31 December 2025, as compared to RMB912.9 million as at 31 December 2024, primarily due to the increase in trade and bills payable and contract liabilities.

Total Equity

As at 31 December 2025, our total equity was RMB1,567.7 million, as compared to RMB1,411.8 million as at 31 December 2024, mainly due to the net profit achieved during 2025.

Key Financial Ratios

	As at 31 December	
	2025	2024
Current ratio (times) ⁽¹⁾	2.1	2.4
Gearing ratio (%) ⁽²⁾	44.6	39.4
	Year ended 31 December	
	2025	2024
Adjusted net profit margin ⁽³⁾	1.5%	1.3%

Notes:

- (1) Current ratio was calculated based on our total current assets divided by our total current liabilities at the end of each financial period.
- (2) Gearing ratio was calculated based on our total liabilities divided by our total assets at the end of each financial period.
- (3) Adjusted net profit margin was calculated based on our adjusted net profit for the relevant period divided by our total revenues for the same period.

Current Ratio

Our current ratio decreased from 2.4 as at 31 December 2024 to 2.1 as at 31 December 2025, primarily due to the increase in current liabilities resulting from the increase in trade and bills payable and contract liabilities.

Gearing Ratio

Our gearing ratio increased from 39.4% as at 31 December 2024 to 44.6% as at 31 December 2025, mainly due to the increase in total liabilities.

Adjusted Net Profit Margin

Our adjusted net profit margin increased from 1.3% in 2024 to 1.5% in 2025, primarily due to the increase in gross profit margin.

Capital Expenditure and Investments

Our capital expenditures mainly consist of additions to property, plant and equipment. Our capital expenditures amounted to RMB18.9 million and RMB9.0 million in 2025 and 2024, respectively.

Funding and Treasury Policies

We expect to fund our working capital and other capital requirements from a combination of various sources, including but not limited to internal resources and external financing at reasonable market rates. We endeavour to improve the return of the equity and assets while adhering to our prudent funding and treasury policies.

Foreign Exchange Risk

The Group's subsidiaries primarily operate in the PRC and are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollars, the Singapore dollars and the Hong Kong dollars. Therefore, foreign exchange risk primarily arose from recognised assets and liabilities in the Group's PRC subsidiaries when receiving or to receive foreign currencies from, or paying or to pay foreign currencies to, overseas business partners. We did not implement any hedging measures against any fluctuation in foreign currencies during the year ended 31 December 2025.

Future Plans for Material Investment and Capital Assets

Save as disclosed in this announcement, the Group did not have other plans for material investments and capital assets.

Significant Investments, Material Acquisitions and Disposals

On 26 January 2025, Huanju Information, a wholly-owned subsidiary of the Company and Hainan Kunchuang Technology Co., Ltd.* (“海南鯤創科技有限責任公司”) (the “**JV Company**”) entered into a capital injection agreement with Lingshui Digital Culture Industry Cloud Technology Development Co., Ltd.* (“陵水數字文化產業雲科技發展有限公司”) (the “**JV Partner**”) in respect of the capital injection (“**Capital Injection**”) into the JV Company. Pursuant to the capital injection agreement, the JV Partner agrees to subscribe for 49% equity interest in the JV Company by way of capital injection of RMB49,000,000 (equivalent to approximately HK\$52,920,000) in cash. The Capital Injection was completed on 12 February 2025. The Capital Injection constituted a deemed disposal of equity interest in the JV Company by the Company under the Listing Rules. For details of the Capital Injection, please refer to the announcement of the Company dated 26 January 2025.

On 7 February 2025, Zhuhai Taiwei Xingchen Investment Management Co., Ltd.* (“珠海太微星辰投資管理有限公司”) and Chongqing Jiangbei Industry Leading Private Equity Investment Fund Management Co., Ltd.* (“重慶江北產業引導私募股權投資基金管理有限公司”), as general partners, Huanju Information, a wholly owned subsidiary of the Company and other limited partners entered into the limited partnership agreement in respect of the establishment of an investment fund in the form of Partnership I in Jiangbei District, Chongqing city, the PRC. Pursuant to the limited partnership agreement, Huanju Information, as one of the limited partners, agreed to subscribe for limited partnership interest in the Partnership I for a capital commitment of RMB50,000,000 (equivalent to approximately HK\$54,000,000). The establishment of the Partnership I was completed in April 2025. For details of the establishment of the Partnership I, please refer to the announcement of the Company dated 7 February 2025.

Reference is made to the announcements of the Company dated 11 November 2022 and 17 November 2022 in relation to, inter alia, the formation of the joint venture company Suzhou Jinglan Cloud Technology Co., Ltd.* (“蘇州鯨瀾雲科技有限公司”) (the “**Suzhou JV Company**”) by the Group through its directly wholly-owned subsidiary Suzhou Longying and its independent third-party joint venture partner Suzhou Huanxiu Lake Jinglan Cloud Venture Capital Partnership (Limited Partnership)* (“蘇州環秀湖鯨瀾雲創業投資合夥企業（有限合夥）”) (the “**Huanxiu Lake Jinglan Cloud Venture Capital**”). On 27 October 2025, all shareholders of the Suzhou JV Company, namely Suzhou Longying and Huanxiu Lake Jinglan Cloud Venture Capital, have entered into a capital increase agreement (the “**Capital Increase Agreement**”) with a new investor, Suzhou Huanxiu Lake Xincheng Phase II Industrial Investment 2 Fund Partnership (Limited Partnership)* (“蘇州環秀湖鑫誠二期產業投資基金合夥企業（有限合夥）”) (the “**Huanxiu Lake Xincheng Phase II Industrial Investment Fund**”). Pursuant to the Capital Increase Agreement, a total of RMB60.0 million of new registered capital would be injected into the Suzhou JV Company. The capital increase was completed in November 2025. For details of the capital increase, please refer to the announcement of the Company dated 27 October 2025.

Save as disclosed above, our Group did not have any significant investments, material acquisitions and disposals of subsidiaries, associated companies or joint ventures for the year ended 31 December 2025.

* For identification purposes only

Pledge on Assets

Certain deposits placed with banks were used as pledged assets for the Group's bills payable. For more details, please refer to note 13 to the consolidated financial information in this announcement.

Contingent Liabilities

As at 31 December 2025, we did not have any material contingent liabilities (2024: nil).

Dividend

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

OTHER INFORMATION

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

During the year ended 31 December 2025, the Company repurchased an aggregate of 26.325 million shares, which are being held as treasury shares with a total cash consideration of HK\$21.8 million. Except as disclosed aforesaid, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2025.

Compliance with the Corporate Governance Code

The Company is committed to maintaining and promoting stringent corporate governance. The principle of the Company's corporate governance is to promote effective internal control measures, uphold a high standard of ethics, transparency, responsibility and integrity in all aspects of business, to ensure that its affairs are conducted in accordance with applicable laws and regulations and to enhance the transparency and accountability of the Board to all shareholders.

During the year ended 31 December 2025, the Company has complied with all applicable code provisions set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

Further information of the corporate governance practice of the Company will be set out in the corporate governance report in the 2025 Annual Report.

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

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding directors’ securities transactions. Having made specific enquiries of all Directors, each of the Directors has confirmed that he/she has complied with the required standards as set out in the Model Code during the year ended 31 December 2025.

The Group’s employees, who are likely to be in possession of inside information of the Group, are also subject to the Model Code for securities transactions. No incident of non-compliance with the Model Code by the employees was noted by the Company.

Audit Committee and Review of Financial Statements

The Company has established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with the CG Code. As at the date of this announcement, the Audit Committee comprises three members, namely Mr. CHEN Baoguo, Mr. JIN Yongsheng and Mr. YU Limin, all of whom are independent non-executive Directors. Mr. CHEN Baoguo is the chairman of the Audit Committee.

The Audit Committee has reviewed the consolidated financial statements of the Group for the year ended 31 December 2025. The Audit Committee has also reviewed the accounting policies and practices adopted by the Company and discussed matters in relation to, among others, risk management, internal control and financial reporting of the Group with senior management and the Company’s auditor. Based on this review and discussions with the management, the Audit Committee was satisfied that the Group’s consolidated financial statements were prepared in accordance with applicable accounting standards and fairly present the Group’s financial position and results for the year ended 31 December 2025.

Scope of Work of the Auditor

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and the related notes thereto for the year ended 31 December 2025 as set out in the annual results announcement have been agreed by the Group’s auditor, ZHONGHUI ANDA CPA Limited (“**ZHONGHUI ANDA**”), to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by ZHONGHUI ANDA in this respect did not constitute an assurance engagement and consequently no assurance has been expressed by ZHONGHUI ANDA on this annual results announcement.

Sufficiency of Public Float

According to the information that is publicly available to the Company and to the best knowledge of the Board, during the year ended 31 December 2025 and up to the date of this announcement, the Company has maintained the public float as required under the Listing Rules.

Subsequent Events

- (i) On 22 January 2026, the Company proposed adoption of a new share option scheme and grant of the share options, the same of which have been approved by the shareholders of the Company at the extraordinary general meeting of the Company held on 27 February 2026. For details, please refer to the announcements of the Company dated 22 January 2026 and 27 February 2026 and the circular of the Company dated 4 February 2026.
- (ii) On 5 February 2026, Wanka Huanju, Huanju Information and the Huanju Information's registered shareholders (being Mr. Gao Dinan and Ms. Jiang Yu) entered into the new contractual arrangements, which are on substantially the same terms and conditions as the existing contractual arrangements at the material time, pursuant to which the aforesaid parties agreed to (1) add Ms. Jiang as registered shareholder of Huanju Information and (2) through Mr. Gao and Ms. Jiang, inject an expected additional aggregate amount of approximately RMB92.8 million from the Group to Huanju Information as its registered capital. The existing contractual arrangements at the material time shall be replaced by the new contractual arrangements. For details, please refer to the announcement of the Company dated 5 February 2026.
- (iii) The Company entered in subscription agreements and supplemental agreements with two subscribers on 11 March 2026 and 12 March 2026 respectively, pursuant to which the two subscribers have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, an aggregate of 215,384,614 Shares at the subscription price of HK\$1.625 per subscription share. The subscriptions were completed on 24 March 2026. For details of the subscriptions, please refer to the announcements of the Company dated 11 March 2026 and 12 March 2026.

Publication of 2025 Annual Results and 2025 Annual Report of the Company

This annual results announcement of the Company is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.wankaonline.com). The 2025 Annual Report will be dispatched to the shareholders of the Company and published on the aforesaid websites in due course.

APPRECIATION

On behalf of the Board, I hereby express my sincere appreciation to the management team and all employees. Because of your dedication, proactive work attitude and spirit, the Company has been able to maintain sustainable growth. We also greatly appreciate our partners, Shareholders and other stakeholders for their trust and support over the years. We will continue to focus on the areas where we have keen insight and enhance our professional capabilities in order to provide better services to the participants in the mobile internet ecosystem and make greater contributions to the construction and stable development of the industry ecosystem.

By order of the Board
Wanka Online Inc.
GAO Dinan
Chairman

Hong Kong, 25 March 2026

As at the date of this announcement, the board of directors of the Company comprises Mr. GAO Dinan, Ms. JIANG Yu, Mr. MENG Jincong and Mr. YU Dingyi as executive Directors; and Mr. CHEN Baoguo, Mr. JIN Yongsheng and Mr. YU Limin as independent non-executive Directors.