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Zengame Technology Holding Limited

禪遊科技控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2660)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

The Board of Zengame Technology Holding Limited is pleased to announce the consolidated and audited results of the Company and its subsidiaries for the year ended 31 December 2025, together with the comparative figures for the year ended 31 December 2024.

FINANCIAL HIGHLIGHTS

	For the year ended		Year-on-Year Change*
	31 December 2025	2024	
	(RMB'000)	(RMB'000)	%
Revenue	1,545,598	1,657,727	(6.8)
Gross profit	785,503	918,629	(14.5)
Gross profit margin (%)	50.8	55.4	
Profit for the year	347,787	430,677	(19.2)
Net profit margin (%)	22.5	26.0	
Non-HKFRS adjusted net profit**	387,034	456,162	(15.2)
Earnings per Share			
(expressed in RMB per Share)	0.34	0.43	(20.9)
Final dividend per Share			
(expressed in HKD per Share)	0.20	0.15	33.3

* Year-on-Year Change % represents a comparison between the current year and the last year.

** Non-HKFRS adjusted net profit was derived from the profit for the year excluding Share-based compensation.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In 2025, supported by favorable policies, an improving ecosystem and ongoing technological innovation, China's gaming industry continued to record steady growth, with premiumization and globalization emerging as the dominant trends. At the same time, despite the overall positive industry momentum, operating challenges for game developers have not eased. The industry continues to face structural issues such as increasing product homogeneity and intensifying competition. Users have become more rational in their spending behavior, and product quality has become a key determinant in content selection.

Against this complex and rapidly evolving market environment, the resilience of the Group's core business became increasingly evident. Benefitting from the solid performance of the Group's flagship products and its refined operational approach, the Group's overall results for the year ended 31 December 2025 recorded only a modest adjustment amid fierce market competition. During the year ended 31 December 2025, the Company remained committed to long-termism, upholding an open and learning-oriented mindset, continuously innovating around user experience optimization, staying closely aligned with users' evolving needs, iterating the Group's products, enhancing organizational efficiency and expanding user value.

The Group continued to strengthen the long-term operational capabilities of its flagship products and safeguarded product vitality through innovative gameplay.

During the year ended 31 December 2025, driven by its strategy of “core gameplay innovation”, its flagship board game Finger Sichuan Mahjong (指尖四川麻將) continued to demonstrate strong resilience, maintaining a leading position on the China iOS board-game grossing charts. In terms of gameplay innovation, the Group prioritized user experience, closely monitored user feedback, and accurately captured product iteration directions. During the year, the Group launched the new gameplay mode “Journey to the West” (西遊行) and continued to optimize the “Kung Fu Mahjong (Fate Gameplay)” (功夫麻將(機緣玩法)), further leveraging classic Chinese cultural IP. Through adjustments to gameplay mechanisms and upgrades to scoring effects, the Group significantly enhanced the strategic depth and visual appeal of gameplay, increased content richness and replayability, and effectively stimulated player engagement. In addition, the Group launched the “Wulin Championship” esports tournament, adopting a dual-track format to engage both players and streamers. The Group also introduced an innovative guild system, establishing a “player + streamer” team structure that fostered deeper social interactions, increased user participation frequency and strengthened long-term user engagement.

Fishing Master (捕魚神手) maintained a high iteration cadence and continued to contribute steadily to the Group’s revenue. While consolidating the Group’s leading position in Mahjong, the Company continued to invest in frequent updates and content enhancements for this casual games. During the year ended 31 December 2025, the Group maintained a rapid release pace, continuously optimized gameplay modes, and developed a structured system of short-, medium-and long-term player objectives, laying a solid foundation for long-term product operations. The Group introduced innovations across multiple dimensions, including combat modes, fish mechanics and system gameplay. Significant improvements were made in item, character, equipment and special boss designs, including mechanism design, art presentation and visual effects. As a result, Fishing Master attracted strong user recognition and achieved growth in both user activity and revenue, forming a second growth curve for the Group beyond its core board-game segment.

In addition, the Company continued to advance the integration and application of AI across core functions such as research and development (R&D), operations and game experience enhancement. AI has become a key driver of operational efficiency and user experience optimization. In 2025, the Company established an AI architecture comprising an AI capability foundation, intelligent product layers and business application layers, thereby forming a comprehensive end-to-end AI-empowered game development and operation framework.

The Group’s self-developed “Tiangong” intelligent application platform has become a core foundation supporting the intelligent upgrade of all business lines. Through the integration of industry-leading multimodal models spanning text, image and video, the Company has established foundational model service capabilities for content generation, significantly enhancing the efficiency of visual asset production.

In terms of algorithm development, the Company has established a full-process machine-learning optimization mechanism, forming a continuous “sampling–training–updating” closed loop. Through refined tuning of model parameters, both training efficiency and predictive accuracy have steadily improved, ensuring that algorithm performance remains at the forefront of the industry and providing strong support for long-term product operations.

In R&D efficiency, the Company advanced the adoption of AI-assisted code generation and intelligent code review mechanisms. During the year ended 31 December 2025, overall R&D efficiency improved significantly, while code quality and delivery stability were enhanced in tandem, accelerating the transition of the Group’s software engineering capabilities toward greater intelligence and high-quality development.

In functional management, the Company successfully deployed AI-driven solutions for administrative and financial processes. Through automated process redesign and intelligent task handling, manual operational costs were substantially reduced, while internal response speed and service experience improved, contributing to comprehensive enhancements in management efficiency and operational quality.

The following table sets forth the key operational highlights of the Group for the years indicated:

	For the year ended	
	31 December	
	2025	2024
	(’000)	(’000)
MAU	19,927	23,636
DAU	3,701	4,316
MPU (Virtual items)	460	502
ARPPU of virtual items (<i>RMB</i>)	272	256

As at 31 December 2025, the Group operated 49 self-developed games and five third-party games, comprising 43 board and card games and 11 casual games. The Group’s ARPPU of virtual items increased from approximately RMB256 for the year ended 31 December 2024 to approximately RMB272 for the year ended 31 December 2025.

From a regulatory perspective, the Company has consistently complied with applicable industry policies and regulatory requirements and places strong emphasis on compliance management in game operations. Through the continuous enhancement of the Group’s internal content compliance and risk-control systems and the implementation of various compliance measures, the Group strives to safeguard user rights and strictly mitigate operational risks. The Company has established and rigorously enforced comprehensive management policies and system settings in areas including user real-name authentication, protection of user rights and interests, personal data and privacy protection, protection of minors, anti-addiction measures and consumption limits. The Group remains committed to providing users with a clean, healthy and responsible gaming environment.

FUTURE PROSPECTS

In 2026, the Group will mainly focus on the following strategies to expand its business and growth:

1. Commitment to Long-Term Operations and User Experience Optimization

Adhering to the Group's long-term operational philosophy and user-centric approach, the Group continued to enhance user experience through steady product iteration and innovative content offerings, driving sustained improvement in operational quality.

2. Deepening AI Empowerment to Enhance Operational Efficiency

The Group continued to increase investment in AI technologies and expanded their systematic application across the full business chain, including marketing, R&D and operations. By introducing AI tools and professional talent, and focusing on cost reduction and efficiency enhancement, the Group strengthened its intelligent, data-driven business middle-platform capabilities.

3. Deepening the Group's Presence in the Domestic Market and Building a Portfolio of High-Quality Games

While consolidating the Group's core board-game business, the Group accelerated the development of a second growth curve in casual categories such as fishing games, advancing the Company's transition toward a coordinated portfolio of high-quality games.

4. Exploring Overseas Markets for Gradual and Sustainable Breakthroughs

Focusing on gameplay refinement and art optimization, and guided by a data-driven approach, the Group continued to increase the Group's overseas investment, pursuing steady and disciplined expansion into incremental overseas markets.

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2025, the Group operated self-developed games and third-party games. All of the games used a Free-to-Play model and the Group generated revenue through the sales of virtual items and in-game information service.

Sales proceeds of virtual items were initially recorded as contract liabilities on the Group's consolidated statement of financial position and were then recognized as revenue in accordance with the Group's revenue recognition policies. Revenue collected from the paying players of third-party games and the in-game information service are shared between the Group and the third-party game developers and platforms based on a pre-determined rate in accordance with the relevant agreements. The revenue generated from the sale of virtual items from third-party games and the in-game information service are both recognized on a net basis when the relevant services are provided.

The following table sets forth a breakdown of our revenue by business model for the years indicated:

	For the year ended 31 December				Year- on-Year Change %
	2025		2024		
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	
Sales of virtual items	1,479,183	95.7	1,574,680	95.0	(6.1)
— Self-developed games	1,474,736	95.4	1,567,952	94.6	(5.9)
— Third-party games	4,447	0.3	6,728	0.4	(33.9)
In-game information service	66,415	4.3	83,047	5.0	(20.0)
Total	<u>1,545,598</u>	<u>100.0</u>	<u>1,657,727</u>	<u>100.0</u>	<u>(6.8)</u>

The following table sets forth a breakdown of the Group's revenue by game category for the years indicated:

	For the years ended 31 December				Year-
	2025		2024		on-Year
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	Change
					%
Board and card games	1,304,485	84.4	1,551,874	93.6	(15.9)
Casual games	241,113	15.6	105,853	6.4	127.8
Total	<u>1,545,598</u>	<u>100.0</u>	<u>1,657,727</u>	<u>100.0</u>	<u>(6.8)</u>

For the year ended 31 December 2025, the Group's total revenue was approximately RMB1.5 billion, representing a decrease of approximately 6.8% from approximately RMB1.7 billion for the year ended 31 December 2024. This decrease was primarily attributed to the decrease in revenue from the Group's board and card games in the first half of the year. Although revenue improved in the second half of the year, the full-year revenue still recorded a slight decrease.

The Group's revenue derived from the sales of virtue items decreased by 6.1% from approximately RMB1.6 billion for the year ended 31 December 2024 to approximately RMB1.5 billion for the year ended 31 December 2025. On the other hand, the Group's revenue derived from in-game information service amounted to approximately RMB66.4 million for the year ended 31 December 2025, representing a decrease of RMB16.6 million from approximately RMB83.0 million for the year ended 31 December 2024. Revenue from casual games increased primarily due to the growth in revenue from Fishing Master (捕魚神手).

Cost of Sales

The following table sets forth a breakdown of our cost of sales by business model for the years indicated:

	For the year ended 31 December		Year- on-Year Change %
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>	
Channel costs	353,963	446,206	(20.7)
Information service costs	269,429	121,995	120.9
New media costs	117,941	149,424	(21.1)
Others	18,762	21,473	(12.6)
Total	<u>760,095</u>	<u>739,098</u>	<u>2.8</u>

For the year ended 31 December 2025, the cost of sales was approximately RMB760.1 million, representing an increase of approximately 2.8% from approximately RMB739.1 million for the year ended 31 December 2024. This increase in the cost of sales was mainly attributable to an increase in the information service costs resulting from the Group's operational costs for paid advertising campaigns for its games, partially offset by a decrease in channel and new media costs.

Gross Profit and Gross Profit Margin

Gross profit decreased from approximately RMB918.6 million for the year ended 31 December 2024 to approximately RMB785.5 million for the year ended 31 December 2025. The gross profit margin decreased from 55.4% for the year ended 31 December 2024 to 50.8% for the year ended 31 December 2025.

The following table sets forth our gross profit and gross profit margin by business model for the years indicated:

	For the year ended 31 December			
	2025		2024	
	Gross Profit RMB'000	Gross Profit Margin %	Gross Profit RMB'000	Gross Profit Margin %
Sales of virtual items				
— Self-developed games	726,560	49.3	834,947	53.3
— Third-party games	4,447	100.0	6,728	100.0
In-game information service	54,496	82.1	76,954	92.7
Total	785,503	50.8	918,629	55.4%

Other Income

Other income decreased by 2.1% from approximately RMB95.7 million for the year ended 31 December 2024 to approximately RMB93.7 million for the year ended 31 December 2025. This decrease was mainly attributable to a decrease in bank interest income and partially offset by an increase in government grants.

Selling and Distribution Expenses

Selling and distribution expenses increased by 14.3% from approximately RMB148.0 million for the year ended 31 December 2024 to approximately RMB169.2 million for the year ended 31 December 2025. This increase was primarily attributable to an increase in advertising and promotional expenses.

Administrative Expenses

Administrative expenses decreased by 3.1% from approximately RMB102.0 million for the year ended 31 December 2024 to approximately RMB98.8 million for the year ended 31 December 2025. This decrease was mainly attributable to a decrease in employee remuneration and office expenses and partially offset by an increase in share-based payments.

Research and Development Expenses

Research and development expenses increased by 5.0% from approximately RMB126.6 million for the year ended 31 December 2024 to approximately RMB132.9 million for the year ended 31 December 2025. This increase was primarily due to an increase in share-based payments.

Other Expenses

Other expenses increased by 2.5% from approximately RMB15.9 million for the year ended 31 December 2024 to approximately RMB16.3 million for the year ended 31 December 2025. This increase was primarily due to an increase in the Group's donation.

Finance Costs

Finance costs increased by 28.1% from approximately RMB0.8 million for the year ended 31 December 2024 to approximately RMB1.0 million for the year ended 31 December 2025. This increase was primarily due to an increase in office lease liabilities.

Income Tax Expense

The income tax expenses decreased from approximately RMB181.4 million for the year ended 31 December 2024 to approximately RMB98.2 million for the year ended 31 December 2025, representing a decrease of RMB83.2 million. This decrease was mainly attributable to a decrease in profit before tax due to the decrease in revenue, as well as the absence of any transfer of retained profits from indirectly wholly-owned subsidiaries to the Group.

Profit for the year ended 31 December 2025

As a result of the above factors, the net profit of the Group was approximately RMB347.8 million for the year ended 31 December 2025, representing a decrease of approximately 19.2% as compared with RMB430.7 million for the year ended 31 December 2024. This decrease was mainly attributable to a decrease in gross profit margin due to reduced revenue.

Non-HKFRS Measures — Adjusted Net Profit

The adjusted net profit for the year ended 31 December 2025, adjusted by excluding the share-based compensation, was approximately RMB387.0 million, decreased by 15.2% as compared to approximately RMB456.2 million for the year ended 31 December 2024.

The following table sets out the adjusted net profit as well as the calculation process based on non-HKFRS for the years ended 31 December 2025 and 2024:

	For the year ended	
	31 December	
	2025	2024
	RMB'000	RMB'000
Profit for the year	347,787	430,677
Add:		
Share-based compensation	<u>39,247</u>	<u>25,485</u>
Adjusted net profit	<u><u>387,034</u></u>	<u><u>456,162</u></u>

Liquidity and Capital Resources

The Group's total cash and cash equivalents and time deposits with original maturity of over three months decreased from approximately RMB1.8 billion as at 31 December 2024 to approximately RMB1.5 billion as at 31 December 2025. This decrease during the year ended 31 December 2025 was primarily resulted from the Group reallocating a portion of matured time deposits to purchase low-risk wealth management products with higher yields than those from deposits.

As at 31 December 2025, current assets of the Group amounted to approximately RMB2.48 billion, primarily consisting cash and cash equivalents of approximately RMB618.6 million and time deposits with original maturity of over three months of approximately RMB870.3 million and financial assets at fair value through profit or loss of approximately RMB792.3 million. Current liabilities of the Group amounted to approximately RMB207.9 million, primarily consisting of contract liabilities of approximately RMB82.5 million and other payables and accruals of approximately RMB81.4 million. As at 31 December 2025, the current ratio (the current assets to current liabilities ratio) of the Group was 11.9, as compared with 8.8 as at 31 December 2024.

As at 31 December 2025, the Group had bank borrowings of RMB0.3 million (31 December 2024: nil), which will mature on 28 April 2026.

The gearing ratio is calculated by dividing total debt (being interest-bearing bank borrowings) by total equity. As at 31 December 2025, the gearing ratio was 0.01% (31 December 2024: nil).

Capital Expenditure

For the year ended 31 December 2025, the capital expenditure of the Group amounted to approximately RMB11.4 million, which were primarily used for investments, office renovation and the purchase of fixed assets.

Contingent Liabilities

The Group had no material contingent liabilities as at 31 December 2025.

Pledge of Assets

As at 31 December 2025, the Group did not pledge any assets.

Future Plan for Material Investments and Capital Assets

The Group did not have other plans for material investments and capital assets.

Significant Investments, Acquisitions and Disposals

There were no significant investments held, no material acquisitions or disposals of subsidiaries, associates and joint ventures during the year, nor was there any plan authorized by the Board for other material investments or additions of capital assets during the year ended 31 December 2025.

Foreign Exchange Risk Management

The functional currency of the Group is RMB. The majority of the Group's revenue and expenditures are denominated in RMB. The Group also has certain cash and bank balances denominated in United State dollars and Hong Kong dollars, which would expose the Group to foreign exchange risk. The Group currently does not have any foreign currency hedging policies. The management will continue to monitor the Group's foreign exchange risk exposure and consider adopting prudent measures as appropriate.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
REVENUE	4	1,545,598	1,657,727
Cost of sales		<u>(760,095)</u>	<u>(739,098)</u>
Gross profit		785,503	918,629
Other income and gains	4	93,714	95,747
Selling and distribution expenses		(169,153)	(147,985)
Administrative expenses		(98,788)	(101,981)
Research and development costs		(132,929)	(126,576)
Impairment losses on financial and contract assets		(9,418)	(1,980)
Other expenses		(16,322)	(15,927)
Finance costs		(1,008)	(787)
Share of profits and losses of:			
Joint ventures		(199)	(288)
Associates		(5,377)	(6,732)
PROFIT BEFORE TAX	5	446,023	612,120
Income tax expense	6	(98,236)	(181,443)
PROFIT FOR THE YEAR		347,787	430,677
Attributable to:			
Owners of the parent		347,787	430,677
Non-controlling interests		<u>—</u>	<u>—</u>
		<u>347,787</u>	<u>430,677</u>
EARNINGS PER SHARE			
ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic	8	<u>RMB34.28 cents</u>	<u>RMB42.69 cents</u>
Diluted	8	<u>RMB33.60 cents</u>	<u>RMB41.82 cents</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<i>Note</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
PROFIT FOR THE YEAR		<u>347,787</u>	<u>430,677</u>
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		<u>(30,585)</u>	<u>24,317</u>
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods		<u>(30,585)</u>	<u>24,317</u>
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Equity investments designated at fair value through other comprehensive income:			
Changes in fair value, net of tax	9	<u>1,089</u>	<u>(12,907)</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		<u>(29,496)</u>	<u>11,410</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>318,291</u>	<u>442,087</u>
Attributable to:			
Owners of the parent		318,291	442,087
Non-controlling interests		<u>—</u>	<u>—</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		31 December 2025	31 December 2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
NON-CURRENT ASSETS			
Property and equipment		28,507	18,693
Investments in associates		27,417	35,645
Investments in joint ventures		2,437	2,636
Intangible assets		581	1,132
Right-of-use assets		17,237	23,451
Equity investments designated at fair value through other comprehensive income	9	18,901	17,334
Long-term prepayments, deposits and other receivables		7,026	20,259
Deferred tax assets		5,575	77
Time deposits		249,850	399,960
Total non-current assets		<u>357,531</u>	<u>519,187</u>
CURRENT ASSETS			
Trade receivables	10	129,464	101,817
Contract costs	11	23,105	22,114
Financial assets at fair value through profit or loss	12	792,298	404,575
Prepayments, deposits and other receivables		48,845	42,797
Time deposits with original maturity of over three months		870,258	957,481
Cash and cash equivalents	13	618,646	831,556
Total current assets		<u>2,482,616</u>	<u>2,360,340</u>
CURRENT LIABILITIES			
Trade payables	14	16,212	12,823
Contract liabilities	15	82,474	69,341
Other payables and accruals	16	81,438	90,293
Lease liabilities		5,786	6,262
Interest-bearing bank borrowings		300	—
Tax payable		21,678	88,560
Total current liabilities		<u>207,888</u>	<u>267,279</u>
NET CURRENT ASSETS		<u>2,274,728</u>	<u>2,093,061</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,632,259</u>	<u>2,612,248</u>

		31 December 2025	31 December 2024
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
NON-CURRENT LIABILITIES			
Lease liabilities		12,732	18,226
Deferred tax liabilities		29,171	22,284
Deferred income		8,868	9,056
		<hr/>	<hr/>
Total non-current liabilities		50,771	49,566
		<hr/>	<hr/>
Net assets		2,581,488	2,562,682
		<hr/> <hr/>	<hr/> <hr/>
EQUITY			
Equity attributable to owners of the parent			
Share capital	17	9,111	9,087
Treasury shares		(20,054)	(26,584)
Reserves		2,592,431	2,580,179
		<hr/>	<hr/>
		2,581,488	2,562,682
		<hr/>	<hr/>
Non-controlling interests		—	—
		<hr/>	<hr/>
Total equity		2,581,488	2,562,682
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO FINANCIAL STATEMENTS

1. CORPORATE AND GROUP INFORMATION

The Company was incorporated in the Cayman Islands on 28 August 2018 as an exempted company with limited liability under the Companies Act of the Cayman Islands. The registered address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The principal activity of the Company is investment holding. The Company and its subsidiaries are principally engaged in developing and operating mobile games and investment business in the People's Republic of China (hereafter, the “**PRC**”). There has been no significant change in the Group's principal activities during the year ended 31 December 2025.

In the opinion of the directors, the Company is ultimately controlled by Ye Sheng and Yang Min.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for wealth management products and equity investments which have been measured at fair value. These financial statements are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

Basis of consolidation

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

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

- (a) the structured contracts with the other vote holders of the investee;
- (b) rights arising from other structured contracts; and
- (c) the Group's voting rights and potential voting rights.

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

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

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

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

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to HKAS 21 Lack of Exchangeability for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to HKAS 21 Lack of Exchangeability

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the consolidated financial information.

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS

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

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

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

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

³ No mandatory effective date yet determined but available for adoption

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

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

HKFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10 Consolidated Financial Statements, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with HKFRS Accounting Standards or IFRS Accounting Standards. (See commentary on page (50)) HKFRS 19 was amended in April 2025 to include IFRS Accounting Standards in the eligibility criteria for applying the standard. The standard was further amended in October 2025 to (i) remove disclosure objectives from HKFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure

requirements relating to management-defined performance measures with a cross-reference to HKFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply HKFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of HKFRS 19 and its amendments in their specified financial statements.

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

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

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

Amendments to HKAS 21 Translation to a Hyperinflationary Presentation Currency (see commentary on page (49)) require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34

of HKAS 29 Financial Reporting in Hyperinflationary Economies. The amendments introduce certain additional disclosures. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

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

HKFRS 7 Financial Instruments: Disclosures: The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the Guidance on implementing HKFRS 7 for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the Guidance on implementing HKFRS 7 does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

HKFRS 9 Financial Instruments: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in HKFRS 16 and an extinguishment of a lease liability in accordance with HKFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

HKFRS 10 Consolidated Financial Statements: The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of HKFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

HKAS 7 Statement of Cash Flows: The amendments replace the term “cost method” with “at cost” in paragraph 37 of HKAS 7 following the prior deletion of the definition of “cost method”. Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

3. OPERATING SEGMENT INFORMATION

The Group is principally engaged in developing and operating mobile games.

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

Geographical information

During the year, the Group operated within one geographical segment because all of its revenue was generated in the Chinese mainland and most of its long-term assets/capital expenditure were located/incurred in the Chinese mainland. Accordingly, no geographical segment information is presented.

Information about major customers

There is no individual customer with revenue individually account for 10% or more of the Group's revenue for the year ended 31 December 2025 (No for 31 December 2024).

4. REVENUE, OTHER INCOME AND GAINS

Revenue from contracts with customers

(a) Disaggregated revenue information

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue:		
Types of goods or services		
Self-developed games	1,474,736	1,567,952
Third-party games	4,447	6,728
In-game information service	66,415	83,047
	<hr/>	<hr/>
Total	1,545,598	1,657,727
	<hr/>	<hr/>
Timing of revenue recognition		
Services transferred at a point in time	70,862	89,775
Services transferred over time	1,474,736	1,567,952
	<hr/>	<hr/>
Total	1,545,598	1,657,727
	<hr/> <hr/>	<hr/> <hr/>

The following table shows the amount of revenue recognised in the current reporting period that was included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Self-developed games	69,341	112,468
	<hr/> <hr/>	<hr/> <hr/>

(b) *Performance obligations*

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

Virtual items in self-developed games

The performance obligation of the operation of self-developed games is satisfied over the estimated Player Relation Period as the customer simultaneously receives and consumes in-game virtual items provided by the entity's performance as the entity performs.

The distribution platforms collect the payment from the Paying Players and remit the cash to the Group net of commission charges which are pre-determined according to the relevant terms of the agreements entered into between the Group and distribution platforms or third-party payment vendors. The payment is generally due within 30 to 90 days from the date of collecting the payment from the Paying Players.

Publishing service for third party games

The performance obligation is recognised at a point in time when the third-party game's developer receives publishing services provided by the entity. The payment is generally due within 30 to 90 days from the date of billing.

In-game information service

The performance obligation is recognised at a point in time when the advertisements placed by third-party platforms are displayed in the game interface. The payment is generally due within 30 to 90 days from the date of billing.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Other income and gains		
Bank interest income	63,386	80,487
Gains on financial assets at fair value through profit or loss	23,979	12,970
Government grants*	6,100	1,103
Others	249	1,187
	<u>93,714</u>	<u>95,747</u>

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

5. PROFIT BEFORE TAX

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

	<i>Notes</i>	2025 RMB'000	2024 RMB'000
Services fee charged by distribution platforms and payment vendors		353,963	446,206
Information service costs		269,429	121,996
New media costs		117,941	149,424
Promotion expenses		130,900	105,465
Depreciation of property and equipment	<i>13</i>	5,870	4,004
Depreciation of right-of-use assets	<i>17</i>	6,256	8,022
Amortisation of intangible assets	<i>16</i>	551	1,061
Research and development costs		4,537	3,425
Employee benefit expense (excluding directors' and chief executive's remuneration) (<i>note 8</i>):			
Wages and salaries		158,844	158,668
Equity-settled share-based payment expenses		27,839	17,526
Pension scheme contributions (defined contribution scheme)		6,500	5,953
Subtotal		193,183	182,147
Foreign exchange differences, net*	<i>19</i>	8,450	8,159
Impairment losses on financial and contract assets (Reversal)/impairment of trade receivables		(82)	1,980
Impairment of financial assets included in prepayments, other receivables and other assets		9,500	—
Subtotal		9,418	1,980
Impairment of investments in associates and joint ventures*		4,850	7,584
(Gain)/loss on disposal of items of property, plant and equipment		(35)	3
Gain on termination of a lease		(23)	—
Lease payments not included in the measurement of lease liabilities		1,121	1,412
Auditors' remuneration		2,000	2,100

* Foreign exchange differences and impairment of investments in an associate and joint ventures are included in "other expenses" in the consolidated statement of profit or loss.

6. INCOME TAX

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

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and accordingly is not subject to income tax.

The Group’s subsidiary Shenzhen Zen-Game Technology Co. Ltd. (hereafter, “**Zen-Game Shenzhen**”) was registered in the Shenzhen-Hong Kong modern service industry cooperation zone in Qianhai, Shenzhen. According to the applicable regulations promulgated by the State Council and relevant authorities, the applicable tax rate for Zen-Game Shenzhen was 15% for the year ended 31 December 2025.

The Group’s subsidiary Shenzhen Tiantianlaiwan Technology Co., Ltd. (hereafter, “**Tiantianlaiwan**”) was qualified as “High and New Technology Enterprises” under the Chinese mainland Corporate Income Tax (“**CIT**”) Law since year 2022. This qualification is subject to review by the Industry and Information Technology Bureau of Shenzhen every three years. The Company expected the applicable tax rate to be 15% for the year ended 31 December 2025.

The Group’s subsidiary Hainan Tiantianlaiwan Technology Co., Ltd. (hereafter, “**Hainan Tiantianlaiwan**”) was established in the Hainan Free Trade Port. According to the applicable regulations promulgated by the State Council and relevant authorities, the applicable tax rate for Hainan Tiantianlaiwan was 15% for the year ended 31 December 2025.

The Group’s subsidiary Shenzhen Metaverse Technology Co., Ltd. (hereafter, “**Metaverse**”) was qualified as a “software enterprise” in 2021 under the relevant Chinese mainland laws and regulations with a preferential tax treatment (i.e., 2-year exemption and 3-year half payment) from its first profitable year. Therefore, Metaverse was exempted from income tax for its first two profitable years (i.e., 2021 and 2022) and was entitled to a preferential income tax rate of 12.5% from 2023 to 2025.

Pursuant to the CIT Law and the respective regulations, the other Chinese mainland subsidiaries are subject to income tax at a statutory rate of 25% for the reporting periods.

Hong Kong profits tax has been provided at the rate of 16.5% on the Group’s assembled profits derived from Hong Kong. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates.

The major components of the income tax expense for the years are as follows:

	2025 <i>RMB’000</i>	2024 <i>RMB’000</i>
Current		
Charge for the year	97,325	171,669
Deferred tax	911	9,774
	<u>98,236</u>	<u>181,443</u>

7. DIVIDENDS

	2025 <i>HK\$’000</i>	2024 <i>HK\$’000</i>
Proposed interim — HK\$ 0.20 (2024: nil) per ordinary share	206,767	—
Proposed final — HK\$0.20 (2024: HK\$0.15) per ordinary share	<u>206,995</u>	<u>154,851</u>

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

The calculation of basic earnings per share is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares in issue during the year ended 31 December 2025.

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

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Earnings		
Profit attributable to ordinary equity holders of the Company, used in the basic and diluted earnings per share calculations	347,787	430,677
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculations	<u>1,014,516,552</u>	<u>1,008,853,495</u>
Effect of dilution — weighted average number of ordinary shares:		
Share options	2,959,409	4,861,541
Restricted shares	<u>17,499,627</u>	<u>16,137,019</u>
	<u>1,034,975,588</u>	<u>1,029,852,055</u>

9. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (“FVOCI”)

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Non-listed equity investments	<u>18,901</u>	<u>17,334</u>

In the years ended 31 December 2025 and 2024, the changes in the fair value and income tax effect in respect of the Group's equity investments designated at FVOCI recognised in other comprehensive income are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
The gross fair value change in respect of the Group's equity investments designated at FVOCI recognised in other comprehensive income	1,567	(15,439)
Income tax effect	(478)	2,532
	<u>1,089</u>	<u>(12,907)</u>

Equity investments designated at FVOCI include investments in equity shares of non-listed companies. These investments were irrevocably designated at FVOCI as the Group considers these investments to be strategic in nature.

10. TRADE RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables	133,901	106,493
Provision for expected credit losses	(4,437)	(4,676)
	<u>129,464</u>	<u>101,817</u>

The Group's trade receivables primarily consist of those due from third-party distribution platforms and payment vendors who collect payment from the Paying Players on behalf of the Group. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing and are generally on terms within 90 days.

An ageing analysis of the trade receivables as at the end of each of the years, based on the recognition date of gross trade receivables and net of provision, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 90 days	128,858	101,072
91 to 180 days	180	380
181 to 1 year	184	101
1 to 2 years	242	264
	<u>129,464</u>	<u>101,817</u>

The amounts due from the joint ventures are unsecured, non-interest-bearing and has no fixed terms of repayment.

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. The Group overall considers the credit risk and ageing of the trade receivables to measure the expected credit losses. During the year, the expected losses rates are determined as follows:

31 December 2025

	Amount <i>RMB'000</i>	Expected credit loss rate	Impairment <i>RMB'000</i>
Trade receivables aged:			
Within 1 year	129,235	0.01%	13
1 to 2 years	838	71.12%	596
2 to 3 years	<u>3,828</u>	100.00%	<u>3,828</u>
	<u><u>133,901</u></u>		<u><u>4,437</u></u>

31 December 2024

	Amount <i>RMB'000</i>	Expected credit loss rate	Impairment <i>RMB'000</i>
Trade receivables aged:			
Within 1 year	102,191	0.62%	638
1 to 2 years	1,859	85.80%	1,595
2 to 3 years	<u>2,443</u>	100.00%	<u>2,443</u>
	<u><u>106,493</u></u>		<u><u>4,676</u></u>

The movements in the allowance for expected credit losses of trade receivables are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
At beginning of year	4,676	2,696
(Reversal)/provision of expected credit losses	(82)	1,980
Amount written off as uncollectible	<u>(157)</u>	<u>—</u>
At end of year	<u><u>4,437</u></u>	<u><u>4,676</u></u>

11. CONTRACT COSTS

Contract costs are mainly related to contract acquisition costs. Management expects that incremental relevant distribution service fees paid as a result of obtaining customer contracts are recoverable, which meet the contract acquisition cost criteria when the Group considers the Paying Player as its customers. The Group has therefore capitalised them as contract costs in the amounts of RMB23,105,000 as at 31 December 2025 (2024: RMB22,114,000).

Capitalised relevant service fees are charged to profit or loss when the related revenue is recognised, which is consistent with the pattern of recognition of the associated revenue. The total amounts charged to profit or loss were RMB353,963,000 for the years ended 31 December 2025 (2024: RMB446,206,000), and there was no impairment loss in relation to the costs capitalised.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Wealth management products issued by licensed banks, at fair value	784,865	393,250
Listed equity investments, at fair value	<u>7,433</u>	<u>11,325</u>
	<u>792,298</u>	<u>404,575</u>

Wealth management products issued by several licensed banks were denominated in RMB, with expected rates of return ranging from 1.00% to 4.00% per annum for the year ended 31 December 2025 (2024: 1.00% to 5.00%). The return on all these wealth management products is not guaranteed, and their contractual cash flows do not qualify for solely payments of principal and interest. Therefore, they are measured at fair value through profit or loss.

13. CASH AND CASH EQUIVALENTS AND TIME DEPOSITS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Cash and bank balances	60,035	425,665
Time deposits	<u>1,678,719</u>	<u>1,763,332</u>
Less:		
Current:		
Time deposits with original maturity of over three months	870,258	957,481
Non-current:		
Time deposits	249,850	399,960
Cash and cash equivalents	<u>618,646</u>	<u>831,556</u>

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Cash and bank balances denominated in:		
RMB	45,772	175,859
HK\$	7,913	4,416
US\$	5,772	245,362
SG\$	578	28

The cash and bank balances of the Group denominated in RMB amounted to RMB45,772,000 (31 December 2024: RMB175,859,000) at the end of the reporting period. The RMB is not freely convertible into other currencies, however, under the PRC Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorized to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for varying periods of between one day and three years depending on the immediate cash requirements of the Group, and earn interest at the respective time deposit rates. Time deposit of over three months amounting to RMB870,258,000 (31 December 2024: RMB957,481,000) were not included in cash and cash equivalents. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

14. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of each of the year, based on the transaction date, is as follows:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 3 months	16,072	11,271
3 to 6 months	5	1,193
6 months to 1 year	—	214
Over 1 years	135	145
	<u>16,212</u>	<u>12,823</u>

The trade payables are non-interest-bearing and are normally settled on 180-day terms.

15. CONTRACT LIABILITIES

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Self-developed games	<u>82,474</u>	<u>69,341</u>

Deferred mobile game revenue primarily consists of the unamortised revenue from the sale of game beans and other virtual items for mobile games, where there is still an implied obligation to be provided by the Group.

16. OTHER PAYABLES AND ACCRUALS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Analysed into:		
Salary and welfare payables	62,615	73,211
Other tax payables	16,759	14,965
Other payables	2,064	2,117
	<u>81,438</u>	<u>90,293</u>

Other payables are non-interest-bearing.

17. SHARE CAPITAL

Shares

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Authorised:		
50,000,000,000 ordinary shares of HK\$0.01 each as at 31 December 2025 and 2024	440,000	440,000
Issued and fully paid:		
1,034,975,187 ordinary shares as at 31 December 2025 (2024: 1,032,338,937 ordinary shares)	<u>9,111</u>	<u>9,087</u>

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	Share capital <i>RMB'000</i>
At 1 January 2024	1,030,604,937	9,070
Share options exercised	<u>1,734,000</u>	<u>17</u>
At 31 December 2024 and 1 January 2025	1,032,338,937	9,087
Share options exercised (<i>Note (a)</i>)	<u>2,636,250</u>	<u>24</u>
At 31 December 2025	<u>1,034,975,187</u>	<u>9,111</u>

- (a) The subscription rights attaching to 2,636,250 share options were exercised at the subscription price of HK\$1.29 per share, resulting in the issue of 2,636,250 shares for a total cash consideration, before expenses, of HK\$3,400,763 (equivalent to RMB3,091,852). An amount of HK\$1,257,225 (equivalent to RMB1,145,000) was transferred from the share option reserve to share capital upon the exercise of the share options.

SIGNIFICANT EVENTS AFTER THE YEAR END

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

EMPLOYEE REMUNERATION AND RELATIONS

As at 31 December 2025, the Group had 454 employees (494 as at 31 December 2024). As required by the PRC laws and regulations, the Group participates in various employee social security plans for our employees that are administered by local governments, including housing, pension, medical insurance, maternity insurance and unemployment insurance. Remuneration of the Group's employees includes basic salaries, allowances, bonus, share options and other employee benefits, and is determined with reference to their experience, qualifications and general market conditions. The emolument policy for the employees of the Group is set up by the Board on the basis of their merit, qualification and competence.

The Group believes that we maintain a good working relationship with our employees, and we have not experienced any material labor disputes during the year ended 31 December 2025.

PAYMENT OF FINAL DIVIDEND

Having taken into account the performance of the Group for the financial year ended 31 December 2025, the Board has resolved to recommend the payment of a final dividend of HK\$0.20 per Share for the year ended 31 December 2025 (2024: HK\$0.15 per Share) to the Shareholders whose names appear on the register of members of the Company on Wednesday, 3 June 2026, amounting to approximately HK\$207.0 million. The proposed final dividend, subject to the approval of the Shareholders at the AGM, is expected to be paid on or before Thursday, 25 June 2026.

DIVIDEND POLICY

On 25 March 2026, the Company has approved and adopted an updated dividend policy (the “**Dividend Policy**”), pursuant to which the Company may declare and distribute dividends to the Shareholders to allow Shareholders to share the Company's profits and for the Company to retain adequate reserves for future growth. The declaration, distribution and amount of dividend is subject to the absolute discretion of the Board, after taking into account, inter alia, the Group's operations, business and future development plans, liquidity position, our future operations and earnings, capital requirements and surplus, financial condition, working capital requirements and other factors that the Board consider relevant.

The distribution of final dividend of a financial year will be subject to the approval of the Shareholders, but the amount of dividend shall not exceed the recommendation of the Board. Subject to the aforesaid factors, the Board plans to maintain distributing not less than 30% of the profit for the year of the relevant financial year of the Group as dividend. Declaration, recommendation or distribution of any dividend is subject to all relevant applicable laws and regulation of Cayman Islands and the Articles of Association. The Board will continually review the Dividend Policy and reserve the right in its sole and absolute discretion to update, amend and/or modify the Dividend Policy at any time. The Dividend Policy shall in no way constitute a legally binding commitment by the Company that dividends will be paid in any particular amount and/or in no way obligate the Company to declare a dividend at any time or from time to time.

ANNUAL GENERAL MEETING

The AGM will be held on Friday, 22 May 2026. A notice convening the AGM will be published and despatched to the Shareholders in the manner required by the Listing Rules in due course.

CLOSURE OF THE REGISTER OF MEMBERS

In order to ascertain the Shareholders' entitlements to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 19 May 2026 to Friday, 22 May 2026, both days inclusive, during which period no transfer of Shares will be registered. All Share transfer documents accompanied by the relevant Share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Monday, 18 May 2026.

In order to ascertain the Shareholders' entitlements to the proposed final dividend (subject to approval by the Shareholders at the AGM), the register of members of the Company will be closed from Monday, 1 June 2026 to Wednesday, 3 June 2026, both days inclusive, during which period no transfer of Shares will be registered. All Share transfer documents accompanied by the relevant Share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, 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, 29 May 2026.

CORPORATE GOVERNANCE CODE

The Company is committed to the establishment of good corporate governance practices and procedures with a view to being a transparent and responsible organization which is open and accountable to the Shareholders. The Company has adopted the code provisions as set out in the Corporate Governance Code as contained in Appendix C1 to the Listing Rules on the Stock Exchange as its own code of corporate governance practices.

In the opinion of the Directors, the Company has complied with the relevant code provisions contained in the Corporate Governance Code during the year ended 31 December 2025, save for deviation from code provision C.2.1 of the Corporate Governance Code. The Board will continue to review and monitor the practices of the Company with an aim of maintaining a high standard of corporate governance.

Mr. Ye Sheng is both the chairman of the Board and the chief executive officer of the Group. The Board believes that vesting the roles of both chairman of the Board and chief executive officer in the same person has the benefit of ensuring consistent leadership and efficient discharge of executive functions within the Group. The Group considers that the balance of power and authority of the present arrangement will not be impaired as the Board comprises five other experienced and high-calibre individuals including another two executive Directors and three independent non-executive Directors who would be able to offer advice from various perspectives. In addition, for major decisions of the Group, the Board will make consultations with appropriate Board committees and senior management. Therefore, the Directors consider that the present arrangement is beneficial to and in the interest of the Company and the Shareholders as a whole and the deviation from code provision C.2.1 of the Corporate Governance Code is appropriate in such circumstance.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has also adopted the Model Code as set out in Appendix C3 to the Listing Rules as its code of conduct regarding securities transactions by the Directors.

Having made specific enquiry with all Directors of the Company, all Directors confirmed that they have complied with the required standard set out in the Model Code throughout the year ended 31 December 2025.

AUDIT COMMITTEE

The Company established the Audit Committee with written terms of reference in compliance with the Listing Rules. The Audit Committee comprises three members, namely, Mr. Jin Shuhui, Mr. Mao Zhonghua and Mr. Yang Yi, all of whom are independent non-executive Directors. Mr. Jin Shuhui is the chairman of the Audit Committee.

The Audit Committee has reviewed the Company's consolidated annual results for the year ended 31 December 2025 and confirms 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.

The annual results for the year ended 31 December 2025 have been prepared in accordance with HKFRS.

SCOPE OF WORK OF THE COMPANY'S AUDITOR

The figures in respect of the Group's consolidated balance sheet, 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 this annual results announcement have been agreed by the Company's auditor, Ernst & Young, to the amounts set out in the Group's draft consolidated financial statements for the year. Ernst & Young made no comments as to the reasonableness or appropriateness of those assumptions of the "Non-HKFRS Measures" as presented in this annual results announcement. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on this annual results announcement.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including the sale of treasury shares (as defined under the Listing Rules), if any) for the year ended 31 December 2025. As at 31 December 2025, the Company did not hold any treasury shares (as defined under the Listing Rules).

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.zen-game.com). The annual report for the year ended 31 December 2025 containing all the information required by Appendix D2 to the Listing Rules will be made available to the Shareholders and published on the same websites in due course.

DEFINITIONS

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

“AGM”	the annual general meeting of the Company proposed to be held on Friday, 22 May 2026
“ARPPU”	monthly average revenue per paying user, which represents the revenue for the period divided by the number of paying players in such period, and then divided by the number of months in such period
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors of the Company
“China” or “PRC”	the People’s Republic of China excluding for the purpose of this announcement, Hong Kong, Macau and Taiwan
“Company”	Zengame Technology Holding Limited (禪遊科技控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 28 August 2018
“Corporate Governance Code”	code on corporate governance practices contained in Appendix C1 to the Listing Rules

“DAU”	daily active users
“Director(s)”	the director(s) of the Company
“Free-to-Play”	a business model which players can play games for free, but may need to pay for virtual items sold in games to enhance their game experience
“Group”	collectively, the Company and its subsidiaries
“HK\$”, “HKD” and “cents”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Listing”	the listing of our Shares on the Main Board of the Stock Exchange
“Listing Rules”	The Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
“MAU”	monthly active users
“Model Code”	the model code for securities transactions by directors of listed issuers as set out in Appendix C3 to the Listing Rules
“MPU”	monthly playing users
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“subsidiary(ies)” has the meaning ascribed to it under the Listing Rules

“%” per cent

* *The English translation of Chinese entity is for identification purpose only.*

By Order of the Board
Zengame Technology Holding Limited
Ye Sheng
Chairman

Hong Kong, 25 March 2026

As at the date of this announcement, the executive Directors are Mr. Ye Sheng, Mr. Yang Min and Ms. Xiong Mi, and the independent non-executive Directors are Mr. Jin Shuhui, Mr. Mao Zhonghua and Mr. Yang Yi.