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CHANGYOU INTERNATIONAL GROUP LIMITED

暢由國際集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1039)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

HIGHLIGHTS

- The revenue of the Group increased to approximately RMB192.1 million for the year ended 31 December 2025 (2024: approximately RMB180.7 million), representing an increase of approximately 6.3% as compared to 2024.
- The gross profit of the Company was approximately RMB43.9 million for the year ended 31 December 2025 (2024: approximately RMB39.3 million). The gross profit margin increased from approximately 21.7% in 2024 to approximately 22.8% in 2025.
- The total transaction volume from the Changyou Alliance business increased to approximately RMB269.4 million for the year ended 31 December 2025 (2024: approximately RMB245.4 million).
- The net loss attributable to equity shareholders of the Company amounted to approximately RMB16.1 million for the year ended 31 December 2025 (2024: approximately RMB19.5 million).
- The basic and diluted loss per share for the year ended 31 December 2025 amounted to approximately RMB0.89 cents (2024: approximately RMB1.08 cents).
- The Board does not recommend the payment of any final dividend for the year ended 31 December 2025.

The board (the “**Board**”) of directors (the “**Directors**”) of Changyou International Group Limited (the “**Company**”) presents herewith the annual audited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2025.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the year ended 31 December 2025

(Expressed in Renminbi (“RMB”))

	Note	2025 RMB'000	2024 RMB'000
Revenue	4	192,085	180,708
Cost of sales		<u>(148,235)</u>	<u>(141,437)</u>
Gross profit		43,850	39,271
Other income	5	3,638	626
Selling and distribution expenses		(4,459)	(3,936)
Administrative expenses		(25,932)	(30,987)
Research and development costs		(6,359)	(7,581)
(Provision for)/reversal of impairment loss on trade and other receivables		<u>(52)</u>	<u>193</u>
Profit/(loss) from operations		10,686	(2,414)
Finance costs	6(a)	(16,628)	(20,814)
Loss arising from changes in fair value on trading securities		<u>(29)</u>	<u>(99)</u>
Loss before taxation	6	(5,971)	(23,327)
Income tax (expense)/credit	7	<u>(4,000)</u>	<u>5,162</u>
Loss for the year		<u><u>(9,971)</u></u>	<u><u>(18,165)</u></u>
Attributable to:			
Equity shareholders of the Company		(16,084)	(19,516)
Non-controlling interests		<u>6,113</u>	<u>1,351</u>
Loss for the year		<u><u>(9,971)</u></u>	<u><u>(18,165)</u></u>
Loss per share			
Basic and diluted (RMB cent)	8	<u><u>(0.89)</u></u>	<u><u>(1.08)</u></u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2025

(Expressed in RMB)

	2025 RMB'000	2024 RMB'000
Loss for the year	(9,971)	(18,165)
Other comprehensive income for the year (after tax):		
Item that will not be reclassified to profit or loss:		
– Exchange differences on translation of financial statements denominated in foreign currencies into the Group's presentation currency	<u>2,989</u>	<u>2,721</u>
Total comprehensive income for the year	<u>(6,982)</u>	<u>(15,444)</u>
Attributable to:		
Equity shareholders of the Company	(13,095)	(16,795)
Non-controlling interests	<u>6,113</u>	<u>1,351</u>
Total comprehensive income for the year	<u>(6,982)</u>	<u>(15,444)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 December 2025

(Expressed in RMB)

		At 31 December 2025	At 31 December 2024
	Note	RMB'000	RMB'000
Non-current assets			
Property and equipment		1,393	2,514
Deferred tax assets	14	1,162	5,162
		<u>2,555</u>	<u>7,676</u>
Current assets			
Trading securities		169	202
Inventories		28	28
Trade and other receivables	9	112,449	122,688
Cash and cash equivalents		33,637	8,230
		<u>146,283</u>	<u>131,148</u>
Current liabilities			
Trade and other payables	10	134,811	127,438
Lease liabilities	12	621	1,937
Loans from an equity shareholder of the Company	13	–	55,765
		<u>135,432</u>	<u>185,140</u>
Net current assets/(liabilities)		<u>10,851</u>	<u>(53,992)</u>
Total assets less current assets/(liabilities)		<u>13,406</u>	<u>(46,316)</u>
Non-current liabilities			
Lease liabilities	12	69	–
Convertible bonds	11	116,436	108,045
Loans from an equity shareholder of the Company	13	58,302	–
		<u>174,807</u>	<u>108,045</u>
NET LIABILITIES		<u>(161,401)</u>	<u>(154,361)</u>

		At 31 December 2025	At 31 December 2024
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
CAPITAL AND RESERVES	<i>16</i>		
Share capital		117,812	117,812
Reserves		<u>101,732</u>	<u>114,885</u>
Total equity attributable to equity shareholders of the Company		219,544	232,697
Non-controlling interests		<u>(380,945)</u>	<u>(387,058)</u>
TOTAL EQUITY-DEFICIT		<u>(161,401)</u>	<u>(154,361)</u>

NOTES

(Expressed in RMB unless otherwise indicated)

1 STATEMENT OF COMPLIANCE

The annual results set out in this announcement are extracted from the Group's consolidated financial statements for the year ended 31 December 2025.

These financial statements have been prepared in accordance with all applicable HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules").

The HKICPA has issued certain new and amended HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

2 BASIS OF PREPARATION

The consolidated financial statements of the Company for the year ended 31 December 2025 comprise the Company and its subsidiaries.

The measurement basis used in the preparation of the financial statements is the historical cost basis except for trading securities and derivative financial instruments which are stated at their fair values.

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

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

For the year ended 31 December 2025, the Group had net loss of RMB9,971,000 and as of the same day, the Group had net liabilities of RMB161,401,000. In addition, as at 31 December 2025, the Group only had cash and cash equivalents of RMB33,637,000 while the Group had loans from its immediate and ultimate holding company, Century Investment (Holding) Limited ("Century Investment") of RMB58,302,000 in aggregate that are repayable in July and September 2027 (Note 13), and convertible bonds issued to Century Investment that are repayable in April 2027 (Note 11) and its liability component was RMB116,436,000.

For the purpose of assessing the Group's ability to continue as a going concern, the management is in discussion with Century Investment regarding the provision of necessary financial support when required, including but not limited to the provision of the drawdown of the Group's unused loan facilities with Century Investment of HK\$48,539,000 (equivalent to approximately RMB43,842,000) which will expire in July and September 2027 (see Note 13) and the extension of the repayment dates of the loan facilities from and the convertible bonds issued to Century Investment (Note 11).

Based on the management's assessment and assuming the successful implementation of the above measures, the directors of the Company are of the opinion that the Group will have adequate funds to meet its obligations as and when they fall due for at least twelve months from the end of the reporting period. Accordingly, the directors of the Company consider it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, the Group's ability to continue as a going concern is largely dependent on the financial ability and timely provision of financial support by Century Investment. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

Should the Group be unable to continue as a going concern, adjustments would have to be made to write down the carrying amounts of its assets to their realisable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

The principal activities of the Group were carried out by Shanghai Sub-chain Information Technology Co., Ltd. ("Sub-chain", VIE), which was established as a limited liability company in the People's Republic of China ("PRC"). Since the business conducted by Sub-chain is subject to foreign investment restrictions under the relevant laws and regulations in the PRC, Centchain Co., Ltd. ("Centchain", WFOE), a subsidiary of the Company, entered into a series of agreements (the "Contractual Arrangements") with Sub-chain and its equity shareholders. As a result of the Contractual Arrangements, the Group has rights to exercise power over Sub-chain, receives variable returns from its involvement in Sub-chain, has the ability to affect those returns, and hence, has the control over Sub-chain. Consequently, the Group regards Sub-chain as a controlled entity, and the directors of the Company consider it is appropriate to account Sub-chain as a subsidiary. The directors of the Company have determined that the Contractual Arrangements are in compliance with PRC laws and are legally enforceable.

3 CHANGES IN ACCOUNTING POLICIES

The Group has applied the following new and amended HKFRS Accounting Standards issued by the HKICPA to these financial statements for the current accounting period:

- *Amendments to HKAS 21 and HKFRS 1, Lack of Exchangeability*
- *Disclosures about Uncertainties in the Financial Statements (Amendments to Illustrative Examples on HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37)*

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 REVENUE

The principal activities of the Group are (1) sales of goods in the form of virtual assets and credits for consumption of merchandises, games, services and other commercial transactions through the development and operation of an electronic trading platform to promote and facilitate awards earned by customers of loyalty programmes of other companies to be exchanged in the PRC and (2) other trading business. The directors of the Company consider the above is the only business of the Group, and accordingly, no segment information is presented.

(a) **Disaggregation of revenue**

Disaggregation of revenue from contracts with customers is analysed as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue from contracts with customers within the scope of HKFRS 15 disaggregated by major products or service lines and by timing of revenue recognition		
Revenue from sales of goods through operation of an electronic platform and other trading business:		
– Point in time	<u>192,085</u>	<u>180,708</u>

The Group's customer base is diversified. There was no customer with whom transactions exceeded 10% of the Group's revenue for the year ended 31 December 2025 (2024: no customer with whom transactions exceeded 10%).

(b) **Geographic information**

All of the Group's revenue for the years ended 31 December 2025 and 2024 were generated from sales and services to customers in the PRC. All of the non-current assets of the Group are either physically located or allocated to operations in the PRC.

5 OTHER INCOME

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest income	11	19
Gain on modification of convertible bonds (<i>Note 11</i>)	2,453	289
Gain on modification of loans from an equity shareholder of the Company (<i>Note 13</i>)	299	–
Gain on lease termination	147	–
Others	<u>728</u>	<u>318</u>
	<u>3,638</u>	<u>626</u>

6 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

(a) Finance costs

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest expense on lease liabilities	52	250
Interest expense on convertible bonds (<i>Note 11</i>)	13,617	8,855
Interest expense on loans from an equity shareholder of the Company (<i>Note 13</i>)	4,251	3,761
Others	—	1,234
	<u>17,920</u>	<u>14,100</u>
Net foreign exchange loss	<u>(1,292)</u>	<u>6,714</u>
	<u><u>16,628</u></u>	<u><u>20,814</u></u>

No borrowing costs have been capitalised for the year ended 31 December 2025 (2024: RMBNil).

(b) Staff costs:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Salaries, wages and other benefits	19,321	20,621
Termination benefits (<i>Note (i)</i>)	210	14
Contributions to defined contribution retirement plans (<i>Note (ii)</i>)	1,128	1,299
	<u>20,659</u>	<u>21,934</u>

Notes:

- (i) With a view to further streamlining the Group's business operations, the Group paid certain termination benefits to reduce its workforce in 2025 and 2024.
- (ii) The employees of the subsidiaries of the Group established in the PRC (excluding Hong Kong) participate in defined contribution retirement benefit schemes managed by the local government authorities, whereby these subsidiaries are required to contribute to the schemes at a rate of 16% (2024: 16%) of the employees' basic salaries. Employees of these subsidiaries are entitled to retirement benefits, calculated based on a percentage of the average salaries level in the PRC (excluding Hong Kong), from the abovementioned retirement schemes at their normal retirement age. Contributions to the schemes vest immediately, there is no forfeited contributions that may be used by the Group to reduce existing level of contributions.

The Group also operates a Mandatory Provident Fund Scheme (the “MPF Scheme”) under the Hong Kong Mandatory Provident Fund Scheme Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement plan administered by an independent trustee. Under the MPF Scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees’ relevant income, subject to a cap of monthly relevant income of Hong Kong Dollar (“HK\$”) 30,000. Contributions to the MPF Schemes vest immediately, there is no forfeited contributions that may be used by the Group to reduce the existing level of contribution.

The Group has no further material obligation for payment of other retirement benefits beyond the above contributions.

(c) **Other items:**

	2025	2024
	RMB’000	RMB’000
Depreciation expenses		
– owned property and equipment	453	338
– right-of-use assets	898	2,270
	1,351	2,608
Operating lease charges relating to short-term leases and leases of low-value assets	1,847	2,293
Auditor’s remuneration-audit services	900	980
Cost of inventories	148,235	141,437

7 INCOME TAX EXPENSE/(CREDIT)

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

	2025	2024
	RMB’000	RMB’000
Deferred expense/(credit) (Note 14)	4,000	(5,162)

8 LOSS PER SHARE

(a) **Basic loss per share**

The basic loss per share for the year ended 31 December 2025 is calculated based on the loss attributable to the equity shareholders of the Company of RMB16,084,000 (2024: RMB19,516,000) and the weighted average of 1,810,953,272 ordinary shares (2024: 1,810,953,272 ordinary shares) in issue during the year.

(b) **Diluted loss per share**

The computation of diluted loss per share for the year ended 31 December 2025 and 31 December 2024 does not assume the conversion of the company’s outstanding convertible bonds since their assumed exercise would result in a decrease in loss per share.

9 TRADE AND OTHER RECEIVABLES

	At 31 December 2025 RMB'000	At 31 December 2024 RMB'000
Trade receivables (<i>Note (i)</i>)	6,025	14,360
Less: loss allowance	<u>(92)</u>	<u>(40)</u>
	<u>5,933</u>	<u>14,320</u>
Other receivables:		
– Receivable for issuance of shares of a subsidiary to a non-controlling equity shareholder (<i>Note (ii)</i>)	100,000	100,000
– Others	<u>3,291</u>	<u>2,628</u>
	<u>103,291</u>	<u>102,628</u>
Financial assets measured at amortised cost	109,224	116,948
Prepayments and deposits	<u>3,225</u>	<u>5,740</u>
	<u>112,449</u>	<u>122,688</u>

All of the trade and other receivables, net of loss allowance, are expected to be recovered or recognised as expenses within one year.

Note:

- (i) At 31 December 2025, trade receivables due from related parties of the investors of Pointsea Company Limited (“PCL”) amounted to RMB6,012,000 (2024: RMB14,220,000).
- (ii) In 2019, PCL issued 28,036,564 new shares to its investor. Proceeds of RMB100,000,000 from its investor has not yet been received while the investor granted an advance of RMB100,000,000 to a wholly owned subsidiary of PCL (see Note 10) which is unsecured and non-interest bearing and will mature upon receipt of the proceeds for shares issued to the investor by PCL.

Ageing analysis

As of the end of the reporting period, the ageing analysis of trade receivables (net of loss allowance), included in trade and other receivables, based on the invoice date, is as follows:

	At 31 December 2025 RMB'000	At 31 December 2024 RMB'000
Within 3 months	5,928	14,192
Over 3 months but within 6 months	2	99
Over 6 months	3	29
	<u>5,933</u>	<u>14,320</u>

Trade receivables are generally due immediately from the date of billing.

10 TRADE AND OTHER PAYABLES

	At 31 December 2025 RMB'000	At 31 December 2024 RMB'000
Trade payables	17,362	9,259
Payables for staff related costs	5,512	1,158
Advance from a non-controlling equity shareholder of a subsidiary (<i>Note 9(ii)</i>)	100,000	100,000
Advance from a shareholder of the Company (<i>Note (ii)</i>)	4,328	9,567
Others	6,730	6,532
	<u>116,570</u>	<u>117,257</u>
Financial liabilities measured at amortised cost	133,932	126,516
Deposits received from business partners in connection with the digital point business	741	291
Contract liabilities arising from sales of goods through operation of an electronic platform and other trading business	138	631
	<u>134,811</u>	<u>127,438</u>

Notes:

- (i) All of the trade and other payables are expected to be settled or recognised as revenue within one year or are repayable on demand.

(ii) The advance is unsecured, interest-free and repayable on demand.

As of the end of the reporting period, the ageing analysis of trade payables included in trade and other payables, based on the invoice date, is as follows:

	At 31 December 2025 RMB'000	At 31 December 2024 RMB'000
Within 3 months	16,691	8,966
3 to 6 months	41	179
Over 6 months	630	114
	<u>17,362</u>	<u>9,259</u>

11 CONVERTIBLE BONDS

The Group's convertible bonds are analysed as follows:

	Liability components		Total RMB'000
	CB1 RMB'000	CB2 RMB'000	
At 1 January 2024	114,972	–	114,972
Derecognition of convertible bonds	(114,266)	–	(114,266)
Issuance of convertible bonds	–	101,576	101,576
Effective interest expenses	–	8,855	8,855
Interest paid	–	(4,667)	(4,667)
Exchange adjustments	(706)	2,281	1,575
	<u>–</u>	<u>108,045</u>	<u>108,045</u>
At 31 December 2024 and 1 January 2025	–	108,045	108,045
Modification of convertible bonds (<i>Note 5</i>)	–	(2,453)	(2,453)
Effective interest expenses	–	13,617	13,617
Exchange adjustments	–	(2,773)	(2,773)
	<u>–</u>	<u>116,436</u>	<u>116,436</u>
At 31 December 2025	<u>–</u>	<u>116,436</u>	<u>116,436</u>

At 31 December 2025 RMB'000	At 31 December 2024 RMB'000
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Represented by:

– current liabilities	–	–
– non-current liabilities	116,436	108,045

In October 2020, the Company issued convertible bonds with face value of HK\$126,000,000 (equivalent to approximately RMB108,945,000) (“CB1”) to Century Investment. CB1 bears interest at 3.5% per annum and matured on 19 October 2023. The Company has the right to redeem all or part of CB1 (i.e. the call option) at any time before the maturity date. As the call option is closely related to the host contract, the call option is not accounted for as a separate derivative financial instrument. Upon issuance of CB1, Century Investment can convert CB1 into the Company’s ordinary shares at HK\$0.42 per share (i.e. the conversion option) at any time, in whole or in part, before 14 October 2023. The conversion option amounted to RMB59,212,000 was regarded as an equity component of CB1 and credited to the Company’s capital reserve account.

CB1 matured on 19 October 2023 and Century Investment did not exercise the conversion rights attached thereto. Century Investment has confirmed that it would not require the Company to redeem the CB1 in full on the maturity date, and the Company would not be in breach of any terms of the CB1 as a result thereof. The conversion option and the call option under CB1 were lapsed on 19 October 2023 and the amount of HK\$126,000,000 with accrued interest remained outstanding to Century Investment as at 31 December 2023.

In January 2024, the Company entered into a Subscription Agreement (the “Subscription Agreement”) with Century Investment pursuant to which the Company will issue convertible bonds with aggregate principal amount of HK\$126,000,000 (“CB2”) to Century Investment. Based on the terms of CB2, upon issuance of CB2, CB1 would be redeemed and the outstanding amount of the principal under CB1 would be set off against all amounts owed by Century Investment to the Company in respect of the issue price under or in connection with the subscription agreement. On 23 April 2024, all the conditions set out in the agreement, including the Company’s independent equity shareholders’ approval, have been fulfilled and the issuance of CB2 has been completed.

Upon the completion of the issuance of CB2, on 23 April 2024, after taking into account all relevant facts and circumstances, the revision of the contractual terms of CB1 and the issuance of CB2 were accounted for as a substantial modification of the financial liability. The original financial liability of CB1 was derecognised and a new convertible bond of CB2 was recognised. The difference of RMB289,000 between the carrying amount of CB1 derecognised of RMB114,266,000 and the fair value of CB2 of RMB113,977,000, is recognised in profit or loss and included in “other income” line item (Note 5). The equity component of CB1 of RMB59,212,000 was transferred from capital reserve to accumulated losses.

CB2 are denominated in Hong Kong dollars, which is the same as the functional currency of the Company. CB2 entitles Century Investment to convert them, in whole or in part, into ordinary shares of the Company at any time between the date of issue of the bond and their settlement date on 23 April 2027 at a conversion price of HK\$0.42 per share. The Company has the option to redeem all or some of CB2 at any time before settlement date (i.e. the early redemption option). If CB2 has not been converted or redeemed, they will be redeemed on 23 April 2027 at the outstanding principal amount of CB2 together with interest accrued. Interest of 8% per annum will be paid semi-annually up until the settlement date.

At initial recognition, the equity component of CB2 of RMB12,401,000 was separated from the liability component. The equity element is presented in equity heading “capital reserve”. The early redemption option is closely related to the host contract and is not accounted for as a separate derivative financial instrument. The effective interest rate of the liability component is 13.0%.

In April 2025, the Company anticipated that it would be unable to settle the semi-annual interest payment of approximately HK\$5,040,000 (equivalent to RMB4,685,000) of the CB2, which would be due on 23 April 2025, as a result of cash flow constraints. As this non-payment would constitute an event of default under the Subscription Agreement, the Company approached Century Investment to negotiate a resolution.

On 23 April 2025, the Company and Century Investment entered into a supplemental agreement (“CB2 Supplemental Agreement”) to modify the terms of CB2 with key modifications as follows:

- all future semi-annual interest payments originally scheduled on and from 23 April 2025 onwards are deferred to the maturity date of CB2 (23 April 2027); and
- the failure to pay interest on and from 23 April 2025 onwards to the maturity date is not treated as a default under the terms of the CB2 Supplemental Agreement, and the rights to demand for immediate redemption of the outstanding principal and interest amounts are waived.

Save for the modification to the interest payment schedule as described above, all other terms and conditions of the CB2, including the principal amount, the interest of 8% per annum, the maturity date, the call option and the conversion option, are unchanged and no penalty charges apply.

Given that the modified contractual terms of CB2 were not substantial, the original liability was not derecognised. A gain on modification of approximately HK\$2,639,000 (equivalent to RMB2,453,000) was recognised in profit or loss for the year ended 31 December 2025 and is included in “other income” (Note 5).

12 LEASE LIABILITIES

At 31 December 2025, the lease liabilities were repayable as follows:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	621	1,937
After 1 year but within 2 years	69	–
	690	1,937

13 LOANS FROM AN EQUITY SHAREHOLDER OF THE COMPANY

In 2020, PCL, a subsidiary of the Company, and Century Investment entered into revolving loan facility agreements (“Facility Agreements”), pursuant to which Century Investment granted revolving loan facilities of HK\$111,000,000 to PCL. The loan facilities will expire after three years or such later date as may be agreed between PCL and Century Investment in writing, representing the date upon which the Company is to repay all loans drawn under the Facility Agreements in full.

On 2 May 2023, PCL and Century Investment entered into a supplemental revolving loan facility agreement (“Supplemental Facility Agreement 1”), pursuant to which both PCL and Century Investment agreed to extend the availability period of the loan facilities from three years to four years. On 30 May 2024, PCL and Century Investment entered into a supplemental revolving loan facility agreement (“Supplemental Facility Agreement 2”), pursuant to which both PCL and Century Investment agreed to extend the availability period from four years to five years.

The Facility Agreements as supplemented are unsecured with an interest rate of (a) 6.5% per annum from and including the drawdown date to, but excluding, 31 May 2024; and (b) 8% per annum from and including 31 May 2024 applicable to all loans drawn under the Facility Agreements as supplemented. The interests are repayable on each 30 June and 31 December of each year until maturity dates.

In view of its liquidity position, PCL did not settle the interest payment that fell due on 30 June 2025, totalling HK\$6,363,000 (equivalent to RMB5,794,000). This constituted a default event under the terms of the Facility Agreements. Shortly thereafter, PCL initiated discussions with Century Investment to resolve the matter.

On 28 July 2025, PCL and Century Investment entered into two supplemental revolving loan facility agreements (“Supplemental Facility Agreement 3 and Supplemental Facility Agreement 4”), pursuant to which both PCL and Century Investment agreed to the following arrangement:

- extend the availability period from five years to seven years;
- defer all interest payments originally scheduled for each 30 June and 31 December of each year to the respective maturity dates of the loans falling in July 2027 and September 2027;
- all accrued but unpaid interest under the Facility Agreements as supplemented by Supplemental Facility Agreement 1, Supplemental Facility Agreement 2 and Supplemental Facility Agreement 3 as at 28 July 2025 shall be regarded as part of the outstanding facility amount, continue to accrue interest at the rate stipulated therein, and be fully repaid together with the outstanding principal on the respective maturity dates; and
- under the terms of the Supplemental Facility Agreement 4, the failure to pay interest on and from 30 June 2025 onwards up to the maturity dates is not treated as a default, and the rights to demand for immediate repayments of the outstanding principal and interest amounts are waived.

Apart from the modification to the interest payment schedule detailed above, the terms of the loan facilities remain unchanged, and no penalty charges have been applied. As the modified contractual terms were not substantial, the original liabilities were not derecognised. A gain on modification of approximately HK\$326,000 (equivalent to RMB299,000) was recognised in profit or loss for the year ended 31 December 2025 and is included in “other income” (Note 5).

At 31 December 2025, the outstanding principal of loans drawn under the Facility Agreements is HK\$62,461,000 (equivalent to approximately RMB56,415,000) (2024: HK\$56,080,000 (equivalent to approximately RMB51,932,000)), and the loans are repayable at the end of the availability period of the facilities agreements ranging from July to September 2027.

At 31 December 2025, the outstanding interest payable associated with the loans is HK\$2,089,000 (equivalent to RMB1,887,000) (2024: HK\$4,139,000 (equivalent to approximately RMB3,833,000)).

14 DEFERRED TAX ASSETS

The following is the analysis of the deferred tax balances for financial reporting purposes:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Deferred tax assets	<u>1,162</u>	<u>5,162</u>

The following are the major deferred tax assets recognised and movements thereon during the year:

	Tax losses <i>RMB'000</i>
At 31 December 2023 and 1 January 2024	–
Credited to profit or loss (<i>Note 7</i>)	<u>5,162</u>
At 31 December 2024 and 1 January 2025	5,162
Charged to profit or loss (<i>Note 7</i>)	<u>(4,000)</u>
	<u>1,162</u>

As at 31 December 2025 and 2024, the Group has recognised deferred tax assets in respect of tax losses to the extent that it is probable that taxable profits will be available against which tax losses can be utilised.

15 DIVIDENDS

The directors of the Company do not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: RMBNil).

16 SHARE CAPITAL

Issued share capital

	2025		2024	
	No. of shares <i>'000</i>	<i>USD'000</i>	No. of shares <i>'000</i>	<i>USD'000</i>
Authorised:				
Ordinary shares of USD0.01 each	<u>5,000,000</u>	<u>50,000</u>	<u>5,000,000</u>	<u>50,000</u>

	2025		2024	
	No. of shares '000	RMB'000	No. of shares '000	RMB'000
Ordinary shares of USD0.01 each, issued and fully paid:				
At 1 January and 31 December	<u>1,810,953</u>	<u>117,812</u>	<u>1,810,953</u>	<u>117,812</u>

17 DISPOSAL OF SUBSIDIARIES

- (a) Pursuant to the equity transfer agreement entered into between the Company and Excel Choice Global Limited (“ECG”), a company wholly owned by Ms. PUN Tang, the controlling shareholder of Century Investment, the Company disposed of its 80% equity interests in Changyou International Technology Limited (“CITL”) to ECG in July 2024 for a cash consideration of USD8 (equivalent to approximately RMB57). The consideration was received in full during the financial year ended 31 December 2024.

The carrying amounts of the assets and liabilities of CITL on the date of disposal were as follows:

	2024 RMB'000
Cash and cash equivalents	205
Trade and other receivables	108
Trade and other payables	<u>(2,314)</u>
	(2,001)
NCI	<u>(402)</u>
	(2,403)
Less: Proceeds from disposal	<u>—*</u>
Other reserve as capital contribution	<u><u>(2,403)</u></u>
Net cash outflow arising on disposal:	
Cash consideration received	—
Less: Cash and cash equivalents	<u>(205)</u>
	<u><u>(205)</u></u>

* Less than RMB1,000

- (b) Pursuant to the equity transfer agreement entered into between the Company and Ms. PUN Tang, the controlling shareholder of Century Investment, the Company disposed of its 100% equity interests in Digital Points Exchange Holding Company Limited (“DPH”) and Fortunet Development Holding Limited (“FDHL”) to Ms. PUN Tang in December 2025 for a cash consideration of USD1 (equivalent to approximately RMB7), respectively. The considerations were received in full during the financial year ended 31 December 2025.

The carrying amounts of the assets and liabilities of DPH and FDHL on the date of disposal were as follows:

	DPH 2025 RMB'000	FDHL 2025 RMB'000
Cash and cash equivalents	41	154
Trade and other payables	—	(137)
	<u>41</u>	<u>17</u>
Less: Proceeds from disposal	—*	—*
	<u>—*</u>	<u>—*</u>
Other reserve as capital contribution	41	17
	<u>41</u>	<u>17</u>
Net cash outflow arising on disposals:		
Cash considerations received	—	—
Less: Cash and cash equivalents	(41)	(154)
	<u>(41)</u>	<u>(154)</u>
	<u>(41)</u>	<u>(154)</u>

* *Less than RMB1,000*

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group has capitalised on its years of experience in the e-commerce business, which has enabled the Group to grasp market opportunities and enter the digital points business segment and industry. In the second half of 2017, the Group formed the Changyou digital point business ecosystem alliance (the “**Changyou Alliance**”) with CCB International (Holdings) Limited, China UnionPay Merchant Services Company Limited, Bank of China Group Investment Limited, China Mobile (Hong Kong) Group Limited (“**China Mobile**”) and China Eastern Airlines Corporation Limited.

With an aim to integrate the digital membership points, resources and strategic advantages of the business partners in the Changyou Alliance, the Group has developed an electronic platform, “Changyou” (the “**Changyou Platform**”). The Group strives to develop the Changyou Platform as an integrative and secured platform, so as to preserve and maximise the value of digital points as virtual assets for the platform users. With the development of blockchain technology, digital assets have received increasing attention from the industry. By leveraging advanced technologies such as blockchain and big data, the Changyou Alliance aims to develop a global financial platform for the issuance, circulation, storage and payment settlement of blockchain tokenisation of assets.

Over the years, the Changyou Platform has increased the number of both members and users, and more diversified products and services, and has optimised the business models and consumption scenarios. As at 31 December 2025, the total number of registered users on the Changyou Platform was approximately 293.2 million, representing an increase of approximately 41.4 million registered users compared to the total number as at 31 December 2024. For the year ended 31 December 2025 (the “**Reporting Period**”), the total transaction volume of the Changyou Alliance business amounted to approximately RMB269.4 million, representing an increase of approximately RMB24.0 million (approximately 9.8%) over the same period last year.

During the Reporting Period, the Group’s point-based Software as a Service (the “**SaaS**”) business continued to maintain steady growth, with both transaction volume and user activity increasing. By continuously optimizing product functions and enhancing user experience, the SaaS platform attracted a growing base of users and scenario-partnered brands, further strengthening the Group’s leading position in the points redemption sector. At the same time, the promotion of self-operated platforms delivered tangible results, with the Alipay mini-program and WeChat mini-program becoming key business carriers within their respective ecosystems. The Group’s marketing and traffic-generation initiatives focused on promoting the core businesses of the Group’s cooperation partners. Leveraging the Group’s points redemption traffic and partner channel resources, through diversified marketing method and precise user targeting, the Group has successfully promoted products such as personal cloud storage and bundled traffic rights packages. In the second half of the year, through collaboration on traffic placement with the Alipay ecosystem, the Group realized its capability of promoting through advertising aggregation, thereby expanding advertising reach. Through cross-marketing within the points ecosystem, the Group has effectively diversified its revenue streams.

During the year, the Group enhanced the two operational carriers of the Changyou Platform, namely the WeChat min-program and the Alipay mini-program, aiming to connect with premium points redemption scenarios and strengthen synergies between the Group's core point-based SaaS business on the one hand and the self-operated platform operations and marketing alliance business on the other hand. The Group also continuously optimised the points redemption process, enhancing the front-end presentation based on the original standard process for different brand scenarios, and ensuring SMS notifications at each stage, including user binding, redemption, and final consumption, thereby consistently elevating user experience and reinforcing brand recognition of the Changyou Platform.

In 2025, the Group established a social media matrix. In addition to the WeChat and Alipay carriers, it launched multiple self-media matrices including Xiaohongshu, Weibo, and Douyin accounts, enriching and advancing its content operation strategy. In the second half of the year, in conjunction with the promotion of rights and interests for Alibaba Local Services, the Group has validated its capability to complete the full business loop of users, enabling users to receive coupons and make consumption through the self-media matrix. Additionally, the Group expanded its points sources through multiple new partnerships, which were launched by the end of the year. This diversification of points sources has laid a solid foundation for the Group's revenue growth in 2026.

FINANCIAL REVIEW

Revenue

The Group recorded a consolidated revenue of approximately RMB192.1 million (2024: approximately RMB180.7 million), representing an increase of approximately 6.3% as compared to 2024. We launch a number of innovative products and services, and collaborate with various business partners to achieve rapid development through resource sharing and complementary advantage.

Gross profit

The gross profit of the Group for the year ended 31 December 2025 amounted to approximately RMB43.9 million (2024: approximately RMB39.3 million) representing an increase of approximately 11.7% as compared to 2024. The gross profit margin for the year ended 31 December 2025 was approximately 22.8% (2024: approximately 21.7%). The Group has optimized its supply chain of Changyou Platform, focusing on concentrated product categories and combining point redemption with other business promotions. This has improved user conversion rates, enhanced the effective use of traffic, and increased the comprehensive profitability of the Group's business. This demonstrates the high added value and market competitiveness of our products and services.

Other income

The other income of the Group for the year ended 31 December 2025 was approximately RMB3.6 million (2024: other income of approximately RMB0.6 million). A detailed breakdown of the factors contributing to the other income of the Group is disclosed in Note 5 to the financial information as disclosed in this announcement.

(Provision for)/reversal of impairment loss on trade and other receivables

The provision for impairment loss of the Group for the year ended 31 December 2025 was approximately RMB0.05 million, which mainly represents provision for impairment loss of trade and other receivables during the year ended 31 December 2025 (2024: reversal of impairment loss of trade and other receivables of approximately RMB0.2 million).

Selling and distribution expenses

The selling and distribution expenses of the Group for the year ended 31 December 2025 increased to approximately RMB4.5 million (2024: approximately RMB3.9 million), representing an increase of approximately 13.3% as compared with the corresponding period in 2024. As the Group's operating and customer service costs directly correlate with its business scale through flexible employment and outsourcing cooperation, the Group's selling and distribution expenses increased with the growth of business.

Administrative expenses

The Group's administrative expenses for the year ended 31 December 2025 decreased to approximately RMB25.9 million, as compared to approximately RMB31.0 million for the corresponding period in 2024, representing a decrease of approximately 16.3% as compared with the corresponding period in 2024. During the Reporting Period, the Group continued to strictly control its fixed costs, manpower and administrative expenses, which generally remained stable.

Research and development costs

The research and development costs of the Group for the year ended 31 December 2025 decreased to approximately RMB6.4 million (2024: approximately RMB7.6 million), representing a decrease of approximately 16.1% as compared with the corresponding period in 2024, which was mainly attributable to the decrease in development costs of technology infrastructure and staff costs for research and development activities during the year ended 31 December 2025.

Finance costs

The Group incurred finance costs of approximately RMB16.6 million for the year ended 31 December 2025 (2024: approximately RMB20.8 million), representing a decrease of approximately 20.1% as compared with the corresponding period in 2024. A detailed breakdown of the factors contributing to the finance costs of the Group is disclosed in Note 6(a) to the financial information as disclosed in this announcement.

Taxation

Deferred tax of RMB4.0 million was debited to profit or loss for the year ended 31 December 2025. Deferred tax of approximately RMB5.2 million was credited to profit and loss for the year ended 31 December 2024.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2025, cash and cash equivalents of the Group were approximately RMB33.6 million (as at 31 December 2024: approximately RMB8.2 million). As compared to 2024, cash and cash equivalents increased by approximately RMB25.4 million, mainly due to net cash inflow arising from operating activities of approximately RMB32.1 million (2024: net cash outflow of approximately RMB18.4 million), net cash outflow arising from investing activities of approximately RMB0.4 million (2024: approximately RMB0.6 million) and net cash outflow from financing activities of approximately RMB6.2 million (2024: net cash inflow of approximately RMB1.7 million).

Convertible Bonds

In view of the increasing popularity of consumer spending with digital points, the successful experience of the Group in developing the Changyou Platform and the robust performance and growth of the Changyou Platform, the Company issued HK\$126.0 million 3.5% convertible bonds (the “**2020 Convertible Bonds**”) to Century Investment (Holding) Limited (“**CIH**”), the net proceeds of which was intended to be utilised to expand the business operations of Changyou Alliance and the Changyou Platform (“**Digital Point Business**”) into Hong Kong and overseas markets by developing an additional new digital point electronic platform with Hong Kong and overseas as the target markets (the “**New International Changyou Platform**”).

On 29 July 2020, the Company entered into a subscription agreement with CIH, pursuant to which the Company agreed to issue the 2020 Convertible Bonds to CIH. The issuance of the 2020 Convertible Bonds was completed on 19 October 2020. The 2020 Convertible Bonds bore interest at 3.5% per annum. The 2020 Convertible Bonds matured on 19 October 2023. For further details of the transaction, please refer to the announcements of the Company dated 29 July 2020 and 19 October 2023, and the circular of the Company dated 17 September 2020.

The issuance of the 2020 Convertible Bonds was completed on 19 October 2020 and matured on 19 October 2023.

On 26 January 2024, the Company entered into a subscription agreement with CIH for the issuance of HK\$126.0 million 8% convertible bonds (the “**2024 Convertible Bonds**”) to CIH. The 2024 Convertible Bonds bear an interest rate of 8% per annum and will mature on the date falling three years after the issue date of the 2024 Convertible Bonds. The issuance of the 2024 Convertible Bonds was completed on 23 April 2024. As the outstanding amount of the principal under the 2020 Convertible Bonds was applied to set-off against the amount payable by CIH in respect of the issue price of the 2024 Convertible Bonds, no net proceeds were received by the Company from the issue of the 2024 Convertible Bonds. For further details of the transaction, please refer to the announcement of the Company dated 26 January 2024 and the circular of the Company dated 15 March 2024.

As at 31 December 2025, the actual uses of the proceeds from the issuance of the 2020 Convertible Bonds were as follows:

Usage	Original use of the net proceeds from the issuance of the 2020 Convertible Bonds as disclosed in the circular of the Company dated 17 September 2020	Proposed change in the allocation of the net proceeds from the issuance of the 2020 Convertible Bonds	Revised use of the net proceeds from the issuance of the 2020 Convertible Bonds	Actual use of the net proceeds from the issuance of the 2020 Convertible Bonds during the financial year ended 31 December 2025	Actual use of the net proceeds from the issuance of the 2020 Convertible Bonds as at 31 December 2025	Timeline/ estimated timeline for utilisation of the net proceeds from the issuance of the 2020 Convertible Bonds after reallocation
	<i>HK\$ (million)</i>	<i>HK\$ (million)</i>	<i>HK\$ (million)</i>	<i>HK\$ (million)</i>	<i>HK\$ (million)</i>	
To fund the development of the New International Changyou Platform supported by relevant technology infrastructure which enables effective extraction and development of big data samples, creating a precise and extensive database of consumer transactions and consumption behaviour	25.0	(22.0)	3.0	0.4	2.1	31 December 2026
To fund the set-up of a new team, comprising various departments such as information technology, marketing, and general administration, which is to support the daily operations of the New International Changyou Platform	25.0	(15.0)	10.0	2.0	7.8	31 December 2026
To fund promotional and marketing activities, such as advertising, roadshow promotion, customers bonus rewards, etc., to attract merchants and customers into the New International Changyou Platform and maintain their loyalty and participation	40.0	(40.0)	–	–	–	
As the general working capital of the New International Changyou Platform	10.0	(8.0)	2.0	0.8	1.4	31 December 2026
To fund promotional and marketing activities to attract and maintain customers' loyalty and their participation and consumption of the products and services provided on the existing Changyou Platform in the PRC (the "Existing PRC Changyou Platform")	–	10.0	10.0	–	10.0	31 December 2022
To fund the staff costs and staff related expenses and the development of the technology infrastructure for the Existing PRC Changyou Platform	–	60.0	60.0	–	60.0	31 December 2021

Usage	Original use of the net proceeds from the issuance of the 2020 Convertible Bonds as disclosed in the circular of the Company dated 17 September 2020	Proposed change in the allocation of the net proceeds from the issuance of the 2020 Convertible Bonds	Revised use of the net proceeds from the issuance of the 2020 Convertible Bonds	Actual use of the net proceeds from the issuance of the 2020 Convertible Bonds during the financial year ended 31 December 2025	Actual use of the net proceeds from the issuance of the 2020 Convertible Bonds as at 31 December 2025	Timeline/ estimated timeline for utilisation of the net proceeds from the issuance of the 2020 Convertible Bonds after reallocation
	<i>HK\$ (million)</i>	<i>HK\$ (million)</i>	<i>HK\$ (million)</i>	<i>HK\$ (million)</i>	<i>HK\$ (million)</i>	
To fund the fixed administrative expenses for the Existing PRC Changyou Platform (excluding promotion and marketing expenses and staff costs and staff related expenses)	–	12.0	12.0	–	12.0	31 December 2021
As the general working capital of the Group	24.4	3.0	27.4	–	27.4	30 June 2022
Total	<u>124.4</u>	<u>–</u>	<u>124.4</u>	<u>3.2</u>	<u>120.7</u>	

Net liabilities

As at 31 December 2025, net current assets of the Group amounted to approximately RMB10.9 million (as at 31 December 2024: net current liabilities of approximately RMB54.0 million). As at 31 December 2025, the current ratio (being total current assets divided by total current liabilities) of the Group was approximately 1.08 (as at 31 December 2024: approximately 0.71).

As at 31 December 2025, total assets of the Group amounted to approximately RMB148.8 million (as at 31 December 2024: approximately RMB138.8 million) and total liabilities amounted to approximately RMB310.2 million (as at 31 December 2024: approximately RMB293.2 million). The debt ratio (being total liabilities divided by total assets) as at 31 December 2025 was 2.08 as compared to 2.11 as at 31 December 2024.

Borrowings

As at 31 December 2025, the Group had total borrowings (which consisted of convertible bonds and loans from an equity shareholder of the Company) of approximately RMB174.7 million (as at 31 December 2024: approximately RMB163.8 million). The gearing ratio (being total borrowings divided by total equity) as at 31 December 2025 was approximately -1.08 (as at 31 December 2024: approximately -1.06).

Trade and other receivables

The trade and other receivables of the Group as at 31 December 2025 were approximately RMB112.4 million (as at 31 December 2024: approximately RMB122.7 million). A detailed breakdown of the factors contributing to the trade and other receivables of the Group is disclosed in Note 9 to the financial information as disclosed in this announcement.

Inventories

The inventory balance of the Group as at 31 December 2025 was approximately RMB28,000 (as at 31 December 2024: approximately RMB28,000). The Changyou Alliance business requires minimal inventory level.

Trade and other payables

The trade and other payables of the Group as at 31 December 2025 were approximately RMB134.8 million (as at 31 December 2024: approximately RMB127.4 million). A detailed breakdown of the factors contributing to the trade and other payables of the Group is disclosed in Note 10 to the financial information as disclosed in this announcement.

Loans from an equity shareholder of the Company

In 2020, PCL and CIH entered into the Facility Agreements, pursuant to which CIH granted loan facilities of HK\$111 million to PCL. The loans are unsecured, with an interest of 6.5% per annum and with a term of three years or such later date as may be agreed between PCL and CIH in writing. On 2 May 2023, PCL and CIH entered into a supplemental loan facility agreement, pursuant to which both PCL and CIH agreed to extend the term of the loan facility from three years to four years. On 30 May 2024, PCL and CIH entered into a supplemental loan facility agreement, pursuant to which both PCL & CIH agreed to extend the term of the loan period from four years to five years and adjust the interest rate from 6.5% per annum to 8% per annum since 31 May 2024. On 28 July 2025, PCL and CIH entered into supplemental loan facility agreements, pursuant to which both PCL and CIH agreed to extend the term of the loan facility from five years to seven years. As at 31 December 2025, the outstanding principal of loans drawn under the Facility Agreements as supplemented is approximately HK\$62.5 million (as at 31 December 2024: approximately HK\$56.1 million). For more details, please refer to Note 13 to the financial information as disclosed in this announcement.

Pledged assets

As at 31 December 2025, the Group did not have pledged assets (as at 31 December 2024: Nil).

Contingent liabilities

As at 31 December 2025, the Group had no significant contingent liabilities (as at 31 December 2024: Nil).

Capital commitment

As at 31 December 2025, the Group had no contracted capital commitments which were not provided in the consolidated financial statements (as at 31 December 2024: Nil).

Employees and remuneration policy

As at 31 December 2025, the Group had 49 employees (as at 31 December 2024: 60 employees). For the year ended 31 December 2025, total staff costs were approximately RMB20.7 million (2024: approximately RMB21.9 million). During the year ended 31 December 2025, the Group also provided internal training, external training and correspondence courses for its staff in order to promote self improvement and enhancement of skills relevant to work. The remuneration of the Directors was determined with reference to their position, responsibilities and experience and prevailing market conditions.

Foreign exchange risk

The business of the Group is mainly located in China and most of the transactions of the Group are denominated in Renminbi. Most of the assets and liabilities of the Group are computed in Renminbi. The Group has entered into facility agreements denominated in HKD. During the year ended 31 December 2025, the Group did not utilise any future contracts, currency borrowings and otherwise to hedge against its foreign exchange risk. However, the Group will continue to monitor the risk exposures and will consider to hedge against material currency risk if required.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this announcement, there were no significant investments held nor material acquisitions or disposals of subsidiaries, associates and joint venture, during the year ended 31 December 2025. There was no plan authorised by the Board for other material investments or additions of capital assets as at the date of this announcement.

PLEDGE OF SHARES BY CONTROLLING SHAREHOLDER

On 28 July 2022, CIH and Poly Platinum Enterprises Limited (“**Poly Platinum**”) agreed to vary the terms of the exchangeable bonds issued by CIH on 18 April 2019 (“**Exchangeable Bonds**”), which are exchangeable into the ordinary shares of the Company (“**Shares**”). CIH charged to Poly Platinum its interest in the 2020 Convertible Bonds issued by the Company in favour of CIH on 19 October 2020, which are convertible into Shares. The underlying Shares of the 2020 Convertible Bonds are 300,000,000 Shares, currently owned by CIH. The 2020 Convertible Bonds matured on 19 October 2023. On 25 January 2024, CIH and Poly Platinum agreed to, among the others, extend the maturity date of the Exchangeable Bonds. On 25 January 2024, CIH charged to Poly Platinum its interest in 60,000,000 Shares. Additionally, upon the completion of the issuance of the 2024 Convertible Bonds on 23 April 2024, CIH charged its interest in the 2024 Convertible Bonds to Poly Platinum. The underlying Shares of the 2024 Convertible Bonds are 300,000,000 Shares.

DIVIDEND

The Board does not recommend payment of any final dividend for the year ended 31 December 2025 (2024: Nil).

PROSPECTS

In 2026, the Group will continue to advance the diversification of points redemption and revenue structure, while maintaining its strategic focus. Priority will be placed on promoting ecological synergy with partners’ core platforms. The goal is to systematically activate the traffic value of the points alliance ecosystem through resource integration, scenario connectivity and data empowerment.

From a business strategy perspective, in 2026 the Group will focus on expanding the transaction scale of points-based SaaS services to reinforce this profit base, which serves as the cornerstone of the cross-industry points alliance and strategic foundation. Building on the promotion of the Group’s partners’ self-operated businesses over the past two years, the Group will concentrate on supporting the promotion of their competitive products in conjunction with the Changyou points ecosystem. At the same time, fully leveraging the Changyou platform, the Group will continue to optimize its product offerings and lower barriers for users in points redemption. By capitalizing on points aggregation and traffic penetration, the Group will strengthen self-operated collaborations with major payment platforms, further consolidating its position in the ecosystem.

Based on its original H5 version of the SaaS platform, the Group will focus on developing and optimizing the WeChat mini-program and Alipay mini-program versions for launch within the WeChat and Alipay ecosystems, connecting points redemption across diverse scenarios therein. With the existing Changyou Supermarket version as a foundation, the Group will continue to iterate and optimize the standard process for multiple points sources. According to different scenarios and target customer groups, suitable points resources are automatically recommended to customers with optimized traffic distribution. Additionally, by concurrently optimizing the authorization process for partners' mutual points redemption products, the Group aims to achieve mutual exchange and connectivity, thereby enhancing points redemption for all partners. Across all products and operational activities, the Group will reinforce the Changyou brand concept to achieve multi-level brand recognition across the points redemption process, product promotion services, and after-sales consultation. Building upon the Group's WeChat Official Account and Mini Programs, the Group will explore APP optimization and partial user conversion in 2026, aiming to introduce certain high-frequency, high-stickiness products to strengthen user brand mindshare.

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance practices and procedures with a view to being a transparent and responsible organisation which is open and accountable to the shareholders of the Company. These can be achieved by an effective Board, segregation of duties with clear accountability, sound internal control, appropriate risk assessment procedures and transparency of the Company. The Board will continue to review and improve the corporate governance practices from time to time to ensure that the Group is led by an effective Board in order to optimise returns for the shareholders of the Company. During the year ended 31 December 2025, the Company has applied the principles of and has complied with all code provisions as set forth in the Corporate Governance Code (the “**CG Code**”) as contained in Appendix C1 to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”), save for the deviation as set forth below:

Code Provision C.1.6

Code Provision C.1.6 of the CG Code provides that independent non-executive Directors and non-executive Directors should generally attend general meetings of the Company. Ms. Liu Jingyan was not able to attend the extraordinary general meeting of the Company held on 20 August 2025 due to her other commitments.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held on Friday, 29 May 2026. A notice convening the annual general meeting will be published and despatched to the shareholders of the Company in the manner required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 26 May 2026 to Friday, 29 May 2026, both days inclusive, during which period no transfer of shares will be registered. In order to determine who are entitled to attend and vote at the forthcoming annual general meeting of the Company to be held on Friday, 29 May 2026, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration no later than 4:30 p.m. on Friday, 22 May 2026.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the shares of the Company during the year ended 31 December 2025.

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix C3 of the Listing Rules as its own code of conduct for securities transactions. Specific enquiries have been made with all Directors, who have confirmed and declared that they have complied with the required standards set out in the Model Code throughout the year ended 31 December 2025.

AUDIT COMMITTEE

The audit committee of the Company has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2025, including the accounting principles and practices adopted by the Group, the selection and appointment of the external auditors and the effectiveness of the systems of risk management and internal control of the Group.

SCOPE OF WORK OF BDO LIMITED

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

EXTRACT OF THE INDEPENDENT AUDITOR'S REPORT

BDO Limited was engaged to audit the consolidated financial statements of the Group. The section below sets out an extract of independent auditor's report regarding the consolidated financial statements of the Group for the year ended 31 December 2025:

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

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to Note 2(b) to the consolidated financial statements which indicates that Group incurred net loss of RMB9,971,000 during the year ended 31 December 2025, and as of the same date, had net liabilities of RMB161,401,000. As stated in Note 2(b), these events or conditions, along with other matters set forth in Note 2(b), indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.changyou-alliance.com. The annual report of the Company for the year ended 31 December 2025 containing all the information required by the Listing Rules will be despatched to shareholders of the Company and published on the above websites in due course.

By order of the Board
Changyou International Group Limited
Mr. Cheng Jerome
Chairman

Hong Kong, 25 March 2026

As at the date of this announcement, the executive Directors are Mr. Cheng Jerome and Mr. Sun Jun; the non-executive Directors are Ms. Hu Qing and Ms. Liu Jingyan; and the independent non-executive Directors are Mr. Wong Chi Keung, Mr. Ip Wai Lun, William and Mr. Chan Chi Keung, Alan.