

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Feiyu Technology International Company Ltd.

飛魚科技國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1022)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

The Board is pleased to announce the consolidated annual results of the Group for the year ended 31 December 2025, together with the comparative information for the year ended 31 December 2024.

FINANCIAL PERFORMANCE HIGHLIGHTS

	For the year ended 31 December		Change %
	2025	2024	
	(RMB'000)	(RMB'000)	
	(audited)	(audited)	
Revenue	810,239	276,748	192.8
Gross profit	743,974	237,193	213.7
Profit/(Loss) before tax	107,181	(44,473)	N/A
Profit/(Loss) after tax	103,342	(46,146)	N/A
Profit/(Loss) for the year attributable to owners of the parent	105,304	(44,394)	N/A

(LOSS)/PROFIT PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

Basic

For profit/(loss) for the year

RMB0.06

RMB(0.03)

Diluted

For profit/(loss) for the year

RMB0.06

RMB(0.03)

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

In the year of 2025, the operating environment for the Company presented a mixed landscape. While volatile economic conditions and subdued consumer spending persisted, the regulatory backdrop evolved in a more supportive direction, which was evidenced by the accelerated pace of new game license approvals and the formal inclusion of game-related studies into the national higher education curriculum. These developments underscore the growing recognition of the gaming industry's significant role within China's broader national economic and cultural development strategy.

The competitive landscape in 2025 further solidified into a pattern of top players' dominance alongside continuous innovation in niche segments. HTML5 games remained a primary growth engine for the industry, despite intensifying competition. User engagement exhibited a dual trajectory, fragmenting into shorter sessions while also deepening into long-term commitments for core titles. This behavioral shift has led to a corresponding maturation of spending patterns, which grew more rational and diversified. High-value expenditures are increasingly driven by sustained engagement and perceived long-term value, whereas the accessibility of lightweight games continues to attract widespread micro-transactions from casual players.

Notwithstanding the complex operating environment, the Company's strategic shift in focus towards HTML5 games yielded encouraging results in 2025. Primarily driven by the stellar performance of the HTML5 game *Yi Bu Liang Bu* (一步兩步), the Company recorded total revenue of approximately RMB810.2 million for the year ended 31 December 2025, representing a year-on-year increase of approximately 192.8%. Profit attributable to owners of the parent reached RMB105.3 million, marking a strong turnaround from a loss of RMB44.4 million for the year ended 31 December 2024.

We successfully expanded our game portfolio and demonstrated cross-platform execution capabilities in 2025 with the launch of several new titles. *Shou Hua San Guo* (獸化三國), an HTML5 adaptation of our mobile game, was met with particularly encouraging immediate reception after launch in March 2025, quickly securing a Top 50 position on the Weixin Mini Game best-selling list. On Steam, the launch of the early access version of the highly anticipated sequel *Neon Abyss 2* (霓虹深淵2) reinforced our strength in core PC gaming. Furthermore, our exploration of emerging platforms continued with *Cat in Town* on Meta's VR platform. Given our portfolio of owned IP and diverse game genres, the Company is uniquely positioned to capitalise on new opportunities arising from the constantly evolving market.

Our existing game portfolio continued to demonstrate strong resilience in 2025. Titles that have been operational for multiple years, including some over a decade old, such as *Shen Xian Dao* (神仙道) and *Carrot Fantasy* (保衛蘿蔔) series, continued to contribute stable engagement and revenue. This performance highlights the lasting appeal of our core IPs and the effectiveness of our ongoing live-service management, providing a solid base for the Company's strategic growth.

Our overseas expansion made important strides in 2025, marked by the establishment of dedicated R&D and publishing teams, targeting the global casual game segment. The integrated efforts between our overseas R&D and publishing teams are expected to deepen our presence in global markets and diversify the Company's revenue streams.

In 2025, our multi-year strategy to develop the *Carrot Fantasy* (保衛蘿蔔) series' IP beyond gaming mainly focused on strengthening fan engagement and community vitality. We released six series of *Carrot Fantasy* (保衛蘿蔔) figurine blind boxes, cumulatively surpassing 250,000 units sold. Notably, the Warm Winter Series was sold out within 1.5 hours. To enhance user experience and loyalty, we upgraded the dedicated *Carrot Fantasy* (保衛蘿蔔) Collectors mini-program, while fostering direct community engagement through offline exhibitions, with the immediate sell-out of all four event-exclusive blind box series.

Principal risks relating to the Company's business

There are certain risks involved in the Company's operations and prospects, and future financial results could be materially and adversely affected by these risks. The following highlights the principal risks exposed to the Group and is not meant to be exhaustive:

- China has strict regulations and policies governing the online game industry and related businesses, and the online game industry is subject to the supervision of various authorities. Any failure of the Company to consistently obtain its license from the authorities may have an adverse impact on its business operations;
- The Company processes, stores and uses personal information and other data, and is therefore subject to governmental regulation and other legal obligations related to privacy, and the Company's actual or perceived failure to comply with such obligations could harm its business;
- Any defects, disruptions or other problems affecting the functioning of the Company's network infrastructure or information technology systems could materially and adversely affect its business;
- Delays in game launches could negatively affect the Company's operations and prospects;

- The Company's business could suffer if the Company does not successfully manage its current and future growth, which involves optimising its game portfolio, building its workforce and balancing its growth;
- The HTML5 game, mobile game and web game industries are highly competitive. If the Company is unable to compete effectively, its business, financial condition, results of operations and prospects will be materially and adversely affected;
- The Company depends on key personnel, and its business and growth prospects may be severely disrupted if it loses their services or is unable to attract new key employees;
- The Company may not be able to continuously enhance its existing games and player experience and launch high-quality new games and services, which will materially and adversely affect its ability to continue to revenue and profitability. Due to the life cycle of games, changes in player preferences may cause uncertainties around the Company's ability to retain existing players and attract new players; and
- The Company utilises major social networking websites, online application stores and third-party payment vendors to generate a substantial portion of revenues and if the Company is unable to maintain a good relationship with these distribution and payment channels or if the use of these distribution or payment channels is adversely affected by any factor such as new measures imposed or intervention by any regulators or third parties, the business and results of operations of the Company will be adversely affected.

To mitigate the identified risks, the Company regularly monitors the risks, and reviews its business strategies and financial results. The Company has implemented the following strategies to ensure the risks are being managed:

- The Company sets up a professional team and engages external professional consultants to actively exchange views and information in relation to new policies and amendments to current policies of the game industry with relevant regulatory authorities, and takes appropriate actions to respond to the changes and ensure the Company is in compliance with the latest applicable laws and regulations;
- In order to safeguard the physical and mental health of our game players, the Company has established a game content review group to ensure the Company's game content is in strict compliance with relevant laws and regulations and does not contain inappropriate violence, gambling or nudity;
- The Company takes technical and other measures, such as encryption and access restrictions, and seeks advice from independent specialists over its data protection practices to prevent the collected personal information from any unauthorised disclosure, damage or loss;
- The Company continues to make significant investments in its technology infrastructure to maintain and improve all aspects of player experience and game performance;

- The Company adopts an OKR (Objectives and Key Results) goal system and uses third-party project management tools to closely monitors the progress of its pipeline games;
- The Company maintains and expands the game distribution platforms to deepen penetration in existing markets and expand into new markets within and outside of the PRC;
- The Company continues to manage and optimise its current game portfolio, as well as constantly enhance or upgrade its existing games, offer new and high-quality games to attract and retain players to increase player activity level and monetisation; and
- The Company attracts and retains talent, continues to manage, train, expand and motivate our workforce as well as maintains a positive corporate culture, to maintain the competitiveness of its R&D teams and operation teams.

Outlook for 2026

The year 2026 promises to be one of both challenges and opportunities. We expect the domestic market to maintain steady growth, with overseas markets continuing to play a vital role in driving incremental revenue. The HTML5 gaming sector, however, is entering a more mature phase characterised by intensifying competition for user attention. In this environment, quality becomes the primary differentiator – a principle that has long defined our development philosophy and positions us favorably for the road ahead.

Our product pipeline for 2026 and beyond remains robust, anchored by a focus on HTML5 games. The upcoming slate features a diverse portfolio of self-developed and licensed titles spanning multiple genres and gameplay styles, carefully curated to deliver engaging experiences to a broad spectrum of players. This strategic mix reflects our commitment to catering to varied player preferences while maintaining our signature emphasis on quality and delight.

The coming year will see us further advance the *Carrot Fantasy* (保衛蘿蔔) IP with innovation as our guiding principle. Our brand development team will work in close conjunction with game development team to leverage new gameplay innovations and further expand the IP's fan base. Key initiatives planned for 2026 include a comprehensive enhancement of the *Carrot Fantasy* (保衛蘿蔔) Collector mini-program, continued participation in offline exhibitions, and exploration of further cross-sector collaboration opportunities. Through these efforts, we aim to deepen the immersive experience and achieve greater synergy between gameplay innovation and ecosystem development.

Event after the year ended 31 December 2025

There was no material subsequent event during the period from 1 January 2026 to the date of this announcement.

Final Dividend

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

FINANCIAL REVIEW

Operating Information

In 2025, the Company remained committed to the long-term operation of its esteemed IP portfolio, which includes *Carrot Fantasy* (保衛蘿蔔) and *Shen Xian Dao* (神仙道), laying a strong foundation for potential sequels. In addition, we have been investing in the R&D and distribution of HTML5 games, aiming to capitalise on the strong growth of this sector. Our HTML5 game named *Yi Bu Liang Bu* (一步兩步), launched in the second half of 2024, entered its monetisation period in 2025. The Company continued to attract players through high-quality content updates and ongoing promotional initiatives. These combined efforts contributed to the robust performance of *Yi Bu Liang Bu* (一步兩步) in 2025.

During the year, the Company launched an HTML5 game named *Shou Hua San Guo* (獸化三國) in March, a VR game named *Cat in Town* in May and the early access version of a PC game named *Neon Abyss 2* (霓虹深淵2) which is the highly anticipated sequel to our classic roguelike action title, *Neon Abyss* (霓虹深淵). *Shou Hua San Guo* (獸化三國) received positive responses and rose to the Top 50 on the Weixin mini game best-selling list. *Neon Abyss 2* (霓虹深淵2) climbed to No. 3 on Steam China's best-selling list on its first day of release.

The table below presents a breakdown of revenue from game operations in absolute amounts and as a percentage of total revenue:

	For the year ended 31 December			
	2025		2024	
	(RMB'000)	(% of Total Revenue)	(RMB'000)	(% of Total Revenue)
Game Operation				
Web games	10,043	1.2	10,196	3.7
Mobile games				
RPGs	51,321	6.3	57,944	21.0
Casual	77,166	9.5	76,924	27.8
PC games	5,071	0.6	2,257	0.8
HTML5 games	623,126	76.9	89,974	32.5
Console games	627	0.1	1,516	0.5
Total	767,354	94.7	238,811	86.3

Revenue contributed by game operations was approximately RMB767.4 million for the year ended 31 December 2025, representing a significant increase of approximately 221.3%, compared with approximately RMB238.8 million for the year ended 31 December 2024. The increase was primarily due to *Yi Bu Liang Bu* (一步兩步), which was launched in the second half of 2024 and generated strong gross billings in 2025.

The Company's Players

The Company assesses its operating performance using a set of key performance indicators, which include MAUs, MPUs and ARPPU. Fluctuations in operating data were primarily a result of changes in the number of players who played, downloaded (in the case of mobile games and PC games) and paid for virtual items and premium features in the games. These key performance indicators help the Company monitor its ability to offer engaging online games, the popularity of its games, the monetisation potential of its player base and the degree of competition in the online game industry, and as a result, it allows the Company to adjust its business strategies and continuously improve its products.

As at 31 December 2025, the Company's (i) RPG mobile games and web games had approximately 236.9 million cumulative registered users, composed of approximately 173.5 million web game users and approximately 63.4 million mobile game users; (ii) casual games had approximately 756.7 million cumulative activated downloads; (iii) HTML5 games had approximately 90.3 million cumulative registered users; (iv) PC games had approximately 2.4 million cumulative copies sold; and (v) console games had approximately 656,000 cumulative copies sold. For the month of December 2025, the Company's (i) RPG mobile games and web games had approximately 0.2 million MAUs in total, composed of approximately 0.1 million from mobile games and approximately 0.1 million from web games; and (ii) casual games had approximately 3.1 million MAUs; (iii) HTML5 games had approximately 4.7 million MAUs.

The following table sets forth certain operating statistics related to the Company's business for the years indicated:

	For the year ended		
	31 December		
	2025	2024	Change %
Average MPUs			
Web games (RPGs) (000's)	4	5	(20.0)
Mobile games (RPGs) (000's)	34	49	(30.6)
Casual (000's)	143	155	(7.7)
HTML5 (000's)	177	69	156.5
ARPPU			
Web games (RPGs) (RMB)	202.7	181.0	12.0
Mobile games (RPGs) (RMB)	124.8	98.1	27.2
Casual (RMB)	45.0	41.3	9.1
HTML5 (RMB)	293.7	109.2	168.9

Note: Duplicated paying users of games published on the Company's own platforms were not eliminated during calculation.

MPUs for web games averaged approximately 4,000 for the year ended 31 December 2025 as compared to approximately 5,000 for the year ended 31 December 2024, primarily due to our web games reached the later stage of their expected lifecycles. Average MPUs for mobile RPG games were approximately 34,000 for the year ended 31 December 2025, decreasing from approximately 49,000 for the year ended 31 December 2024. The decrease was primarily due to *Shen Xian Dao 3* (神仙道3) having higher number of MPUs in the early stage of its expected lifecycle in 2024. Average MPUs for casual games was approximately 143,000 for the year ended 31 December 2025, decreasing from approximately 155,000 for the year ended 31 December 2024. The decrease was primarily attributable to our strategy of maintaining long-term operation of the *Carrot Fantasy* (保衛蘿蔔) instead of instant monetisation. Average MPUs for HTML5 games increased by 156.5% from 69,000 for the year ended 31 December 2024 to approximately 177,000 for the year ended 31 December 2025, primarily driven by *Yi Bu Liang Bu* (一步兩步) newly launched in the second half of 2024. Other HTML5 games launched in the second half of 2024 and the first half of 2025 also contributed to such increase.

ARPPU for web games was approximately RMB202.7 for the year ended 31 December 2025, representing an increase of 12.0% compared to approximately RMB181.0 for the year ended 31 December 2024. The increase was primarily driven by higher ARPPU for *Shen Xian Dao* (神仙道), which has been launched for nearly fifteen years and entered the mature stage of its expected lifecycle when loyal players are more willing to make in-game purchases. ARPPU for RPG mobile games increased by 27.2% from approximately RMB98.1 for the year ended 31 December 2024 to approximately RMB124.8 for the year ended 31 December 2025, primarily due to the launch of the mobile game version of *Yi Bu Liang Bu* (一步兩步) in December 2024. ARPPU for casual games was RMB45.0 for the year ended 31 December 2025, compared to RMB41.3 for the year ended 31 December 2024. The increase was primarily due to the increase in ARPPU for the *Carrot Fantasy* (保衛蘿蔔) game series, which was updated frequently with new features, resulting in users being more willing to make in-game purchases. ARPPU for HTML5 games increased by 168.9% from approximately RMB109.2 for the year ended 31 December 2024 to approximately RMB293.7 for the year ended 31 December 2025, primarily due to the launch of *Yi Bu Liang Bu* (一步兩步) in the second half of 2024. Other HTML5 games launched in the second half of 2024 and the first half of 2025 also contributed to the increase.

As part of its business strategy, the Company continued to launch various in-game promotions and activities, release regular updates for premium games, and offer high-quality customer service, in order to enhance gaming experience and maintain user engagement. The Company believes that these initiatives are vital for retaining active players and expanding active player base of the Group.

The year ended 31 December 2025 compared with the year ended 31 December 2024

The following table sets forth the Group's income statement for the year ended 31 December 2025 as compared with the year ended 31 December 2024.

	For the year ended		Change %
	31 December		
	2025	2024	
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	
	(audited)	(audited)	
Revenue	810,239	276,748	192.8
Cost of sales	<u>(66,265)</u>	<u>(39,555)</u>	67.5
Gross profit	743,974	237,193	213.7
Other income and gains	15,977	15,406	3.7
Selling and distribution expenses	(470,813)	(160,356)	193.6
Administrative expenses	(62,052)	(50,529)	22.8
Research and development costs	(86,622)	(68,265)	26.9
Finance costs	(3,549)	(4,130)	(14.1)
Other expenses	(29,451)	(15,242)	93.2
Share of profits and losses of associates	<u>(283)</u>	<u>1,450</u>	N/A
PROFIT/(LOSS) BEFORE TAX	107,181	(44,473)	N/A
Income tax expense	<u>(3,839)</u>	<u>(1,673)</u>	129.5
PROFIT/(LOSS) FOR THE YEAR	<u>103,342</u>	<u>(46,146)</u>	N/A
Attributable to:			
Owners of the parent	105,304	(44,394)	N/A
Non-controlling interests	<u>(1,962)</u>	<u>(1,752)</u>	12.0

Revenue

The following table sets forth a breakdown of the Group's revenue for the years ended 31 December 2025 and 2024:

	For the year ended 31 December			
	2025		2024	
	(RMB'000) (audited)	(% of Total Revenue)	(RMB'000) (audited)	(% of Total Revenue)
Game Operations	767,354	94.7	238,811	86.3
Advertising revenue	33,053	4.1	24,386	8.8
Licensing and IP-related income	9,608	1.2	13,240	4.8
Online game distribution	224	–	298	0.1
Technical service income	–	–	13	–
Total	810,239	100.0	276,748	100.0

Total revenue increased by 192.8% to approximately RMB810.2 million for the year ended 31 December 2025 from approximately RMB276.7 million for the year ended 31 December 2024.

Revenue from game operations was approximately RMB767.4 million for the year ended 31 December 2025, representing a significant increase of approximately 221.3%, compared with approximately RMB238.8 million for the year ended 31 December 2024. The increase was primarily due to the launch of *Yi Bu Liang Bu* (一步兩步) on 1 August 2024, which has been well received by users and entered its monetisation period during 2025. The increase was also due to the launch of other HTML5 games such as *Piggy Survivor* (野人快跑) in December 2024 and *Shou Hua San Guo* (獸化三國) in March 2025.

Revenue from online game distribution was approximately RMB224,000 for the year ended 31 December 2025, decreasing approximately 24.8% from approximately RMB298,000 for the year ended 31 December 2024. The decrease was mainly due to the expiration of exclusive publisher licence agreement of *Mushroom War 2* (蘑菇戰爭2) in the first half of 2025.

Licensing and IP-related income decreased by approximately 27.4% from approximately RMB13.2 million for the year ended 31 December 2024 to approximately RMB9.6 million for the year ended 31 December 2025. The decrease was primarily attributable to the recognition of a one-off licensing fee of approximately RMB4.2 million for the cloud gaming version of *Carrot Fantasy 4* (保衛蘿蔔4) for the year ended 31 December 2024, while there was no such one-off licensing fee recognised for the year ended 31 December 2025.

Advertising revenue increased by approximately 35.5% from approximately RMB24.4 million for the year ended 31 December 2024 to approximately RMB33.1 million for the year ended 31 December 2025. The increase was primarily due to the launch of *Yi Bu Liang Bu* (一步兩步) which contributed advertising revenue of approximately RMB11.0 million for the year ended 31 December 2025 while this number for the year ended 31 December 2024 was approximately RMB4.6 million. The increase was also driven by advertising revenue generated by other HTML5 games launched during the second half of 2024 and the first half of 2025.

Cost of sales

Cost of sales increased by 67.5% to approximately RMB66.3 million for the year ended 31 December 2025 from approximately RMB39.6 million for the year ended 31 December 2024. The increase was mainly attributable to the increased staff costs from approximately RMB29.0 million for the year ended 31 December 2024 to approximately RMB46.0 million for the year ended 31 December 2025 as a result of the Company's increased staffing for the distribution of HTML5 games and the increase in performance-related bonuses in line with the Group's financial results. The higher cost of sales was also due to the increase in server expenses from approximately RMB4.7 million for the year ended 31 December 2024 to approximately RMB9.5 million for the year ended 31 December 2025, primarily driven by the operation of *Yi Bu Liang Bu* (一步兩步) which was launched in August 2024 and other HTML5 games launched during the second half of 2024 and the first half of 2025.

Gross profit and gross profit margin

Gross profit increased by 213.7% to approximately RMB744.0 million for the year ended 31 December 2025 from approximately RMB237.2 million for the year ended 31 December 2024. Gross profit margin for the year ended 31 December 2025 was 91.8%, increasing 6.1 percentage points from 85.7% for the year ended 31 December 2024.

Other income and gains

Other income and gains for the year ended 31 December 2025 was approximately RMB16.0 million, which remained steady as compared with approximately RMB15.4 million for the year ended 31 December 2024.

Selling and distribution expenses

Selling and distribution expenses increased by 193.6% from approximately RM160.4 million for the year ended 31 December 2024 to approximately RMB470.8 million for the year ended 31 December 2025, mainly attributable to the increase in distribution expenses from approximately RMB112.1 million for the year ended 31 December 2024 to approximately RMB319.5 million for the year ended 31 December 2025. The distribution expenses were primarily associated with the operation of *Yi Bu Liang Bu* (一步兩步) which was launched on 1 August 2024 and other HTML5 games launched or under testing phase. The increase in selling and distribution expenses was also due to the increase in channel fees from approximately RMB43.4 million for the year ended 31 December 2024 to approximately RMB146.0 million for the year ended 31 December 2025. The reason for higher channel fees was mainly due to *Yi Bu Liang Bu* (一步兩步) and other HTML5 games launched on multiple platforms, including Weixin Mini Programs and Douyin Mini Programs, for which we recognised revenue on a gross basis and channel technical service fee in selling and distribution expenses.

Administrative expenses

Administrative expenses increased by approximately 22.8% from approximately RMB50.5 million for the year ended 31 December 2024 to approximately RMB62.1 million for the year ended 31 December 2025. The increase was mainly attributable to the increase in staff costs from RMB31.5 million for the year ended 31 December 2024 to approximately RMB43.1 million for the year ended 31 December 2025 as a result of the growth in performance-related bonuses as the administrative team made indispensable contributions to support game development and operations.

R&D costs

R&D costs increased by approximately 26.9% from approximately RMB68.3 million for the year ended 31 December 2024 to approximately RMB86.6 million for the year ended 31 December 2025. The change was primarily attributable to the increase in staff costs from approximately RMB65.5 million for the year ended 31 December 2024 to approximately RMB82.2 million for the year ended 31 December 2025 as a result of the Company's increased investment in personnel for the development of HTML5 games and the increase in performance-related bonuses.

Finance costs

Finance costs decreased by approximately 14.1% from approximately RMB4.1 million for the year ended 31 December 2024 to approximately RMB3.5 million for the year ended 31 December 2025. The change was primarily due to the decrease in interest expenses resulting from partial repayment of the bank loans in conjunction with the operation of the Company's R&D centre and headquarters building in Xiamen.

Other expenses

Other expenses increased by approximately 93.2% from approximately RMB15.2 million for the year ended 31 December 2024 to approximately RMB29.5 million for the year ended 31 December 2025. The increase was primarily due to the recognition of loss on fair value changes of the Company's R&D centre and headquarters building in Xiamen and office units located in Beijing and the recognition of investment loss for the sale of a straight bond in 2025.

Income tax expense

Income tax expenses increased by approximately 129.5% from approximately RMB1.7 million for the year ended 31 December 2024, to approximately RMB3.8 million for the year ended 31 December 2025. The increase was primarily attributable to the exhaustion of accumulated tax losses by certain subsidiaries of the Group, which were no longer available to offset current-year taxable income.

Profit/Loss for the year

As a result of the above, profit for the year ended 31 December 2025 was approximately RMB103.3 million, as compared to a loss for the year ended 31 December 2024 of approximately RMB46.1 million. Profit attributable to owners of the parent for the year ended 31 December 2025 was approximately RMB105.3 million, as compared to a loss attributable to owners of the parent for the year ended 31 December 2024 of approximately RMB44.4 million.

Non-IFRSs measures – Adjusted net profit/(loss) attributable to owners of the parent

In addition to the Company's consolidated financial statements that are presented in accordance with IFRSs, Feiyu also provides further information based on the adjusted net profit/(loss) attributable to owners of the parent as an additional financial measure. The Company presents this financial measure because it is used by management to evaluate financial performance by eliminating the impact of items that the Company does not consider indicative of business performance. The Company also believes that these non-IFRSs measures provide additional information to investors and others, helping them understand and evaluate the consolidated results of operations in the same manner as management, and to compare financial results across accounting periods and with those of various peer companies.

For the years ended 31 December 2025 and 2024, the Company defined the adjusted net profit/(loss) attributable to owners of the parent as net profit/(loss) attributable to owners of the parent excluding share-based compensation. The term of adjusted net profit/(loss) attributable to owners of the parent was not defined under IFRSs. The use of adjusted net profit/(loss) attributable to owners of the parent has material limitations as an analytical tool as it did not include all items that would impact net profit/(loss) attributable to owners of the parent for the accounting period.

	For the year ended 31 December		Change %
	2025 (RMB'000) (audited)	2024 (RMB'000) (audited)	
Profit/(Loss) for the year attributable to owners of the parent	105,304	(44,394)	N/A
Add:			
Share-based compensation	<u>2,228</u>	<u>–</u>	100%
Total	<u>107,532</u>	<u>(44,394)</u>	N/A

Financial Position

As at 31 December 2025, total equity of the Group was approximately RMB605.6 million, compared with approximately RMB482.6 million as at 31 December 2024. The increase was primarily attributable to the profit of approximately RMB103.3 million recorded for the year ended 31 December 2025.

As at 31 December 2025, the Group had net current assets of approximately RMB243.0 million, representing an increase of approximately 242.5% from approximately RMB71.0 million as at 31 December 2024. The increase was mainly due to the higher net operating cash inflows generated by *Yi Bu Liang Bu* (一步兩步).

Liquidity and Capital Resources

The table below sets forth selected cash flow data from the Group's audited consolidated statement of cash flows:

	2025 (RMB'000) (audited)	2024 (RMB'000) (audited)	Change %
Net cash flow from/(used in) operating activities	139,786	(10,876)	N/A
Net cash flow used in investing activities	(13,004)	(43,008)	(69.8)
Net cash flow from/(used in) financing activities	(7,099)	(7,415)	(4.3)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	119,683	(61,299)	N/A
Cash and cash equivalents at the beginning of year	100,687	160,678	(37.3)
Effect of foreign exchange rate changes, net	825	1,308	(36.2)
Cash and cash equivalents at the end of year	221,195	100,687	119.7

Total cash and cash equivalents were approximately RMB221.2 million as at 31 December 2025, increasing 119.7% from approximately RMB100.7 million as at 31 December 2024. The increase was primarily due to the operating cash inflows generated by *Yi Bu Liang Bu* (一步兩步) and the redemption and sale of straight bonds. The increase was partially offset by the purchase of office units and car parking spaces located in Chaoyang District, Beijing for a total consideration of RMB51.4 million in June 2025.

As at 31 December 2025, approximately RMB45.0 million of financial resources (31 December 2024: RMB12.4 million) were held in deposits denominated in non-RMB currencies. The Company currently does not hedge transactions undertaken in foreign currencies, rather it manages foreign exchange exposure by limiting foreign currency exposure and constantly monitoring foreign currency levels. The Group adopts a prudent cash and financial management policy. In order to better control costs and minimise the cost of funds, the Group's treasury activities were centralised and cash was generally deposited at banks, denominated mostly in Renminbi, Hong Kong dollars and United States dollars.

As at 31 December 2025, the Group had aggregate bank loans of approximately RMB83.5 million (31 December 2024: RMB89.5 million), of which approximately RMB6.0 million is payable within one year, approximately RMB26.8 million is payable between one and five years and approximately RMB50.8 million is payable after five years. The Group had lease liabilities of approximately RMB2.7 million (31 December 2024: Nil), of which approximately RMB1.4 million is payable within one year and approximately RMB1.3 million is payable between one and five years as set out in the agreements.

As at 31 December 2025, the Group's bank loans of approximately RMB83.5 million were used for the operation of the Company's R&D centre. The interest rate was approximately 3.5% per annum and the loans were secured by the land use rights, investment properties and building on the Land.

Significant Debt Investments at Fair Value Through Other Comprehensive Income, Equity Investments Designated at Fair Value Through Other Comprehensive Income, and Financial Assets at Fair Value Through Profit or Loss

As at 31 December 2025, the Company had debt investments at fair value through other comprehensive income, equity investments designated at fair value through other comprehensive income and financial assets at fair value through profit or loss of approximately RMB83.0 million (31 December 2024: RMB125.8 million), which represented the Company's investment in a straight bond issued by a reputable company with coupon rate of 2.25% per annum and equity interest held by the Group in six unlisted companies, one company listed on the National Equities Exchange And Quotations of the PRC and one company listed on Nasdaq Global Select Market.

The principal of debt investments at fair value through other comprehensive income, equity investments designated at fair value through other comprehensive income, and financial assets at fair value through profit or loss as at 31 December 2025 were not protected.

According to the Company's current internal investment management policies, no less than 50% of total investments can be invested in risk-free or principal protected investments, while for the remainder, up to 50% of the total investments is invested in low-risk products. The Company has a diversified investment portfolio to mitigate risks. In addition, the abovementioned investments were made in line with the Company's effective capital and investment management policies and strategies.

Performance and Future Prospect of Significant Debt Investments at Fair Value Through Other Comprehensive Income, Equity Investments Designated at Fair Value Through Other Comprehensive Income, and Financial Assets at Fair Value Through Profit or Loss

Details of the Group’s debt investments at fair value through other comprehensive income, equity investments designated at fair value through other comprehensive income, and financial assets at fair value through profit or loss as at 31 December 2025 are presented as follows:

(A) Straight Bonds

Name of the straight bonds	Notes	Interest income recognised in consolidated statement of profit or loss for the year ended 31 December 2025 (RMB'000)	Gain/(loss) on fair value changes recognised in consolidated statement of comprehensive income for the year ended 31 December 2025 (RMB'000)	Fair value as at 31 December 2025 (RMB'000)	Percentage of total FVOCI and FVPL Investments as at 31 December 2025	Percentage of total assets of the Group as at 31 December 2025
CHINLP Medium Term Note Programme (“CHINLP”)	2	563	1,345	22,755	27.4%	2.8%
POLHON Guaranteed Notes (“POLHON”)	3	800	(243)	–	–	–
NWDEVL Medium Term Note Programme (“NWDEVL”)	4	1,085	(8,931)	–	–	–

Notes:

- The Group’s investment in straight bonds has been accounted for as debt investments at fair value through other comprehensive income. The fair value of the straight bonds was estimated using a discounted cash flow valuation model based on the assumptions that were supported by observable market inputs. Please refer to note 22 to the financial statements for details of the investment in straight bonds.
- On 15 July 2021, the Group invested in a bond issued by CLP Power Hong Kong Financing Limited (“**CLP Financing**”) and guaranteed by CLP Power Hong Kong Limited (“**CLP HK**”) with a nominal amount of US\$3,500,000 for a consideration of US\$3,542,000 (equivalent to approximately RMB23.0 million). The bond has a coupon interest rate of 2.25% per annum with a maturity period of 10 years.

CLP Financing, the issuer, incorporated in the British Virgin Islands, is a wholly-owned subsidiary of the guarantor CLP HK. CLP Financing was established to raise financing for CLP HK. The net proceeds from the issue of CHINLP will be on-lent by CLP Financing to CLP HK to be used for general corporate purposes. CLP HK, established in 1901 in Hong Kong, is one of the only two electricity providers in Hong Kong, which supplies approximately 80% of the electricity consumed in Hong Kong. CLP Holdings Limited, the parent company of CLP HK was listed on the Main Board of the Stock Exchange in 1998 with the stock code of 00002. CLP Holdings Limited, together with its subsidiaries, namely the CLP Group, is an investor and operator in the Asia-Pacific energy sector. In Hong Kong, through CLP HK, it operates a vertically-integrated electricity supply business providing a highly-reliable supply of electricity. Outside Hong Kong, CLP Group holds investments in the energy sector in Mainland China, India, Southeast Asia, Taiwan, and Australia. Its diversified portfolio of power generation assets include coal, gas, nuclear and renewables (wind, hydro, solar) and energy storage.

According to the annual report for the year ended 31 December 2025 of CLP Holdings Limited, total revenue decreased by 3.2% to HK\$88,018 million and total earnings attributable to shareholders decreased 10.8% to HK\$10,468 million for the full year of 2025. This decline was primarily due to reduced contributions from nuclear and renewable energy assets in the Chinese Mainland, together with the unfavourable performance of EnergyAustralia's Customer business. These adverse factors were nevertheless partially offset by strong performance in Hong Kong.

Amid shifting market dynamics and volatile global energy demand in 2025, the CLP Group continued to provide a reliable energy supply and invest in the Hong Kong market, while advancing its renewable energy and battery energy storage system (BESS) portfolio in other markets. Despite a decline in earnings, the CLP Group demonstrated resilient financial performance through disciplined strategy and cost management. In light of the above, the Group maintains a positive outlook on the prospects of the bond CHINLP.

3. During the second half of July 2021, the Group successively invested in a bond issued by Ease Trade Global Limited ("**Ease Trade**") and guaranteed by Poly Property Group Co. Limited ("**Poly Property**") with an accumulated nominal amount of US\$2,800,000 for an accumulated consideration of US\$2,883,000 (equivalent to approximately RMB18.6 million). The bond has a coupon interest rate of 4.0% per annum with a maturity period of 5 years. On 10 November 2025, the bond was fully redeemed by Poly Property for a consideration of US\$2,800,000 (equivalent to approximately RMB19.8 million).
4. On 15 July 2021, the Group invested in a bond issued by NWD (MTN) Limited ("**NWD**") and guaranteed by New World Development Company Limited ("**New World**") with a nominal amount of US\$3,500,000 for a consideration of US\$3,783,000 (equivalent to approximately RMB24.5 million). The bond has a coupon interest rate of 4.5% per annum with a maturity period of 10 years. On 4 November 2025, the entire bond was sold by the Company for a consideration of approximately US\$2,526,000 (equivalent to approximately RMB17.9 million) in advance.

(B) *Unlisted Equity Investments*

Company Name	Notes	Percentage of Shareholdings as at 31 December 2025 (RMB'000)	Gain/(loss) on fair value changes recognised in consolidated statement of comprehensive income for the year ended 31 December 2025 (RMB'000)	Fair value as at 31 December 2025 (RMB'000)	Percentage of	Percentage of
					total FVOCI and FVPL investments as at 31 December 2025	the total assets of the Group as at 31 December 2025
Xiamen eName Technology Co., Ltd. ("eName")	2	2%	2,939	29,574	35.6%	3.6%
Others	3	–	(3,098)	7,810	9.4%	1.0%

Notes:

1. The Group's unlisted equity investments have been accounted for as equity investments designated at fair value through other comprehensive income. The fair value of the unlisted equity investments was assessed by management or employed by other available methods.
2. eName is a company listed on China New Third Board (Stock Code: 838413) principally engaged in domain related businesses and providing domain registration, transfer and transaction services for internet customers. It is a well-known domain service provider in China.

Pursuant to eName's interim report for the six months ended 30 June 2025, eName recorded revenue of approximately RMB149.8 million, reflecting a 16.76% increase compared with the corresponding period in 2024. Net profit attributable to shareholders was approximately RMB11.5 million, reflecting a 7.09% increase from RMB10.8 million as of 30 June 2024. The increase was primarily driven by more active trading activities compared with the corresponding period.

eName has established a leading position in the domain transaction and service industry through mature technical support, convenient transaction procedure and humanized service management. eName adhered to expand its domain name business and achieved transaction growth through increased promotional efforts during the period. The Group is therefore optimistic about the domain service market in China and the performance of eName in the future.

3. Others comprised four unlisted limited liability companies and none of these investments accounted for more than 1.0% of the total assets of the Group as at 31 December 2025.

(C) *Unlisted Debt Investments*

Company Name	Notes	Percentage of Shareholdings as at 31 December 2025	Gain/(loss) on fair value changes recognised in consolidated statement of profit or loss for the year ended 31 December 2025 (RMB'000)	Fair value as at 31 December 2025 (RMB'000)	Percentage of total FVOCI and FVPL investments as at 31 December 2025	Percentage of the total assets of the Group as at 31 December 2025
Future Capital Discovery Fund II, L.P. ("Future Capital")	2	1.8797%	(8,694)	19,853	23.9%	2.4%
Others	3	–	6	1,759	2.1%	0.2%

Notes:

1. The Group's unlisted debt investments have been accounted for as financial assets at fair value through profit or loss. The fair value of the unlisted debt investments was assessed by management or employed by other available methods.
2. Future Capital is an unlisted limited partnership principally engaged in investment in companies which are primarily in the sectors of intelligent system, auto system and information technology to achieve earnings in the form of medium to long term capital appreciation. The aggregate investment cost of the investment in Future Capital was US\$1,452,197.91. As at 31 December 2025, the Company held approximately 1.8797% partnership interests in Future Capital.

Pursuant to Future Capital's financial statements for the year ended 31 December 2025, Future Capital recorded income of approximately US\$98,416 and net decrease in partners' capital resulting from operations of approximately US\$54.9 million. The substantial decrease in partners' capital resulting from operations was primarily due to a decrease in fair value changes on several Future Capital's investments. Future Capital expected to realise its investments at a later stage in order to enjoy a higher capital appreciation.

Future Capital is more than an investor; it is a company builder with a long-term orientation and a strong commitment to enabling the next generation of technology leaders. Its strategy integrates deep technical expertise, early alignment with exceptional founders, and conviction to support innovation from inception through scale. The Group therefore maintains a highly positive outlook on Future Capital's business prospects.

3. Others comprised one unlisted debt investment and accounted for approximately 0.2% of the total assets of the Group as at 31 December 2025.

(D) *listed Equity Investment*

Company Name	Notes	Percentage of Shareholdings as at 31 December 2025	Gain/(loss) on fair value changes recognised in consolidated statement of profit or loss for the year ended 31 December 2025 (RMB'000)	Fair value as at 31 December 2025 (RMB'000)	Percentage of total FVOCI and FVPL investments as at 31 December 2025	Percentage of the total assets of the Group as at 31 December 2025
Li Auto Inc. ("Li Auto")	2	-	(562)	1,253	1.5%	0.2%

Notes:

1. The Group's listed equity investment has been accounted for as financial assets at fair value through profit or loss. The fair value of the listed equity investment was determined based on the publicly available market price.
2. Li Auto is a company listed on the Nasdaq Global Select Market (Stock Code: LI) and the Hong Kong Stock Exchange (Stock Code: 02015). Li Auto is a leader in China's new energy vehicle market, which designs, develops, manufactures, and sells premium smart electric vehicles. On 2 October 2024, Future Capital distributed a total of 10,526 Li Auto American depository shares ("LIADSS") to the Company. As at 31 December 2025, the Company held 10,526 LIADSS.

Pursuant to Li Auto's unaudited financial results for the fourth quarter ended 31 December 2025, total revenue amounted to RMB28.8 billion in the fourth quarter of 2025, representing a decrease of 35.0% from RMB44.3 billion in the fourth quarter of 2024. Net income was RMB20.2 million in the fourth quarter of 2025, compared with net income of RMB3.5 billion in the fourth quarter of 2024.

The decline in total revenue was primarily attributable to lower vehicle deliveries. In the fourth quarter of 2025, Li Auto delivered 109,194 vehicles, representing a year-over-year decrease of 31.2% from 158,696 vehicles in the same period of 2024. On a sequential basis, however, deliveries increased by 17.1% from the third quarter of 2025, reflecting initial improvements following the Li Auto's strategic adjustments. According to management commentary, enhancements in organizational efficiency, supply capabilities, and the sales system since the fourth quarter have improved store efficiency and supported a recovery in Li i8 sales, which partially offset the impact of product cycle transitions and intensified industry competition.

Li Auto will continue to refine its restructured, AI-native research and development system and maintain consistent investment in research and development to support long-term product innovation and technological advancement. The Group therefore remains confident in Li Auto's ability to achieve sustainable growth and deliver long-term value.

There was no impairment made for any investments in debt instruments for the year ended 31 December 2025. Investments in equity instruments did not involve any separate impairment accounting under IFRS 9 – Financial Instruments.

Other significant investments held, significant acquisitions and disposal of subsidiaries, associates and joint ventures and future plans for material investments or capital assets

Save as disclosed in this announcement, there were no other significant investments held, nor were there material acquisitions or disposals of subsidiaries, associates and joint ventures for the year ended 31 December 2025. Except for those disclosed in this announcement, there was no plan authorised by the Board for other significant investments or acquisitions of major capital assets or other businesses in 2025. However, the Group will continue to identify new opportunities for business development.

Gearing ratio

The Group's gearing ratio, which is calculated based on total liabilities divided by total assets, was 26.2% as at 31 December 2025 and 29.0% as at 31 December 2024.

Capital expenditures

The following table sets forth the Group's capital expenditures for the years ended 31 December 2025 and 2024 respectively:

	For the year ended 31 December		Change %
	2025 (RMB'000)	2024 (RMB'000)	
Property, plant and equipment	<u>4,605</u>	<u>694</u>	<u>563.5%</u>
Total	<u>4,605</u>	<u>694</u>	<u>563.5%</u>

Capital expenditures consisted of property, plant and equipment which include but are not limited to office equipment, company vehicles for employees' use and leasehold improvements. The total capital expenditures for the year ended 31 December 2025 were approximately RMB4.6 million, compared with RMB0.7 million for the year ended 31 December 2024, representing an increase of approximately 563.5%. The increase was mainly attributable to a rise in the purchase of office equipment and a rise in the expenditures for leasehold improvement.

Pledge of Assets

As at 31 December 2025, bank loans of approximately RMB83.5 million (under a loan facility of up to RMB100.0 million) were used for the operation of the Company's R&D centre. The bank loans were secured by the land use rights, investment properties and building on the Land with a total carrying value of approximately RMB231.4 million.

Contingent liabilities and guarantees

As at 31 December 2025, the Company did not have any unrecorded significant contingent liabilities, guarantees or any litigation with claims made against it.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2025, the Company had 465 full-time employees, the majority of whom were based in Xiamen, Fujian Province of the PRC. The following table sets forth the number of employees categorised by function as at 31 December 2025:

	Number of Employees	% of Total
Development	238	51.2
Operations	151	32.5
Administration	59	12.7
Sales and marketing	17	3.6
Total	465	100.0

The remuneration of the Group's employees is determined based on their performance, experience, competence and market comparables. Their remuneration package includes salaries, bonuses related to the Group's performance, allowances, equity settled share-based payments and state-managed retirement benefit schemes for employees in the PRC. The Company also provides customised training programs to its staff to enhance their technical and product knowledge and support their career progression.

The remuneration of Directors and members of senior management is determined on the basis of each individual's responsibilities, qualifications, position, experience, performance, seniority and time devoted to the Group's business. They receive compensation in the form of salaries, bonuses, share options, RSUs, and other allowances and benefits-in-kind, including the Company's contribution to their pension scheme on their behalf. The remuneration policy of the Directors and the senior management is reviewed by the Remuneration Committee and approved by the Board.

In addition, the Group has currently adopted the 2024 Share Option Scheme and 2024 Restricted Share Unit Scheme as long-term incentive schemes.

Foreign currency risk

For the year ended 31 December 2025, the Group did not encounter significant foreign currency risk from its operations and did not hedge against any fluctuation in foreign currency.

Interest rate risk

Other than interest-bearing bank deposits and bank loans, the Group has no other significant interest-bearing assets or liabilities. The Directors do not anticipate any significant impact on the interest-bearing bank deposits resulting from changes in interest rates, because the bank deposit interest rates are not expected to change significantly. In addition, the Directors do not anticipate any significant impact on the bank loans resulting from changes in interest rates, because the interest rates are primarily determined with reference to the loan prime rate as at the drawdown date, which have a low likelihood of wide fluctuation in the short run. Therefore, the Group has not adopted any hedging policy to mitigate interest rate risk. However, the Group will continue to monitor the long-term interest rate fluctuations in the market and take appropriate actions to minimise interest rate risk.

Corporate Social Responsibility

The Group has sought to operate in a responsible, transparent and sustainable way. The Group is committed to promoting the long-term sustainability of the environment by advocating green office practices such as using double-sided printing and copying, setting up recycling bins, installing energy-efficient lighting systems, growing plants in the office, attempting to provide good air quality on company premises and promoting the use of public transport and video conferencing in lieu of business travel to reduce the carbon footprint. The Group also improves employee awareness of environmental protection and encourages them to bring their own plants to make the office greener.

The Group has adopted a 3Rs (Reduce, Reuse and Recycle) strategy and taken effective measures for waste management, such as installing an efficient water flushing system in the restrooms and performing regular checks to prevent leakages.

The Group is determined to review and improve its policies and practices related to environmental protection from time to time to continuously contribute to making the earth a better planet.

The Group has also been committed to enhancing its contribution to local communities by participating in community services, supporting people in need and sponsoring educational activities. In addition, the Group also encourages its employees at all levels to participate in the activities by way of charity bazaar. The Group will continue to invest in social activities to develop a better future for its community.

Compliance with Relevant Laws and Regulations

To the best of the Directors' knowledge, information and belief, as at the date of this announcement, the Company has complied in all material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Company.

In relation to game development and operation, the Company is committed to complying with the laws and regulations such as Measures for the Classification of Online Information that May Affect the Physical and Mental Health of Minors (2026), Cybersecurity Law of the People's Republic of China (2025 Revision), Administrative Measures on Internet Information Services (2025 Revision), Regulation on Network Data Security Management (2024), Regulation on the Protection of Minors in Cyberspace (2024), Personal Information Protection Act of the PRC (2021), Data Security Act of the PRC (2021), Notice by the National Press and Publication Administration of Further Imposing Strict Administrative Measures to Prevent Minors from Becoming Addicted to Online Games (2021), Civil Code of the PRC (2020), Law on the Protection of Minors (2020 Amendment), the Copyright Law of the PRC (2020 Amendment), Regulation on the Administration of Publication (2020 Revision), Trademark Law of the People's Republic of China (2019 Revision), Provisions on Ecological Governance of Network Information Content (2019), Notice by the General Administration of Press and Publication of Preventing Minors from Indulging in Online Games (2019) and Online Publishing Service Management Rules (2016).

In addition, as a company listed on the Main Board of the Stock Exchange, the Company is subject to, among others, the requirements under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), the Listing Rules, the Takeovers Code, and the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Any changes in the applicable laws and regulations are brought to the attention of the relevant departments from time to time.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2025

	<i>Notes</i>	2025 RMB'000	2024 <i>RMB'000</i>
REVENUE	4	810,239	276,748
Cost of sales		<u>(66,265)</u>	<u>(39,555)</u>
Gross profit		743,974	237,193
Other income and gains	4	15,977	15,406
Selling and distribution expenses		(470,813)	(160,356)
Administrative expenses		(62,052)	(50,529)
Research and development costs		(86,622)	(68,265)
Other expenses		(29,451)	(15,242)
Finance costs		(3,549)	(4,130)
Share of profits and losses of:			
Associates		<u>(283)</u>	<u>1,450</u>
PROFIT/(LOSS) BEFORE TAX	5	107,181	(44,473)
Income tax expense	6	<u>(3,839)</u>	<u>(1,673)</u>
PROFIT/(LOSS) FOR THE YEAR		<u>103,342</u>	<u>(46,146)</u>
Attributable to:			
Owners of the parent		105,304	(44,394)
Non-controlling interests		<u>(1,962)</u>	<u>(1,752)</u>
		<u>103,342</u>	<u>(46,146)</u>
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	8		
Basic			
For profit/(loss) for the year		<u>RMB0.06</u>	<u>RMB(0.03)</u>
Diluted			
For profit/(loss) for the year		<u>RMB0.06</u>	<u>RMB(0.03)</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*Year ended 31 December 2025*

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
PROFIT/(LOSS) FOR THE YEAR	103,342	(46,146)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Debt investments at fair value through other comprehensive income:		
Changes in fair value	1,905	(2,913)
Exchange differences on translation of financial statements	23	2,315
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	1,928	(598)
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:		
Equity investments designated at fair value through other comprehensive loss:		
Changes in fair value	(3,267)	3,339
Net other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods	(3,267)	3,339
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	(1,339)	2,741
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	102,003	(43,405)
Attributable to:		
Owners of the parent	103,970	(41,657)
Non-controlling interests	(1,967)	(1,748)
	102,003	(43,405)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		58,839	58,624
Investment properties		196,489	154,498
Right-of-use assets		31,700	30,108
Goodwill	9	11,427	11,427
Other intangible assets		91	187
Investments in associates		14,060	14,562
Deferred tax assets		4,002	–
Prepayments, other receivables and other assets	11	10,826	17,963
Time deposits		40,000	90,000
Equity investments designated at fair value through other comprehensive income	12	37,384	37,543
Debt investments at fair value through other comprehensive income	12	22,755	56,143
Financial assets at fair value through profit or loss	12	21,612	30,300
Total non-current assets		449,185	501,355
CURRENT ASSETS			
Time deposit due within one year		50,000	–
Accounts receivable and receivables due from third-party game distribution platforms and payment channels	10	57,690	51,019
Prepayments, other receivables and other assets	11	32,285	15,655
Other current assets		8,970	9,551
Financial assets at fair value through profit or loss	12	1,253	1,815
Cash and cash equivalents		221,195	100,687
Total current assets		371,393	178,727
CURRENT LIABILITIES			
Trade and bills payables		12	–
Other payables and accruals		100,577	90,980
Interest-bearing bank loans		6,000	6,000
Lease liabilities		1,425	–
Tax payable		7,387	3,308
Contract liabilities		12,975	7,481
Total current liabilities		128,376	107,769
NET CURRENT ASSETS		243,017	70,958
TOTAL ASSETS LESS CURRENT LIABILITIES		692,202	572,313

	<i>Note</i>	2025 RMB'000	2024 <i>RMB'000</i>
NON-CURRENT LIABILITIES			
Interest-bearing bank loans		77,500	83,500
Lease liabilities		1,259	–
Deferred tax liabilities		5,559	2,917
Contract liabilities		2,284	3,316
		<hr/>	<hr/>
Total non-current liabilities		86,602	89,733
		<hr/>	<hr/>
Net assets		605,600	482,580
		<hr/>	<hr/>
EQUITY			
Equity attributable to owners of the parent			
Share capital	<i>13</i>	1	1
Share premium		604,624	604,624
Reserves		(9,816)	(134,803)
		<hr/>	<hr/>
		594,809	469,822
		<hr/>	<hr/>
Non-controlling interests		10,791	12,758
		<hr/>	<hr/>
Total equity		605,600	482,580
		<hr/>	<hr/>

1. CORPORATE AND GROUP INFORMATION

The Company was incorporated in the Cayman Islands on 6 March 2014 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The registered office address of the Company is the offices of Conyers Trust Company (Cayman) Ltd. at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Group is principally engaged in the operation and development of web and mobile games in the People's Republic of China (the "PRC"). The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") on 5 December 2014.

Information about subsidiaries

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

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Date of incorporation	Percentage of equity attributable to the Company		Principal activities
				Direct	Indirect	
Feiyu Technology Hong Kong Ltd	Hong Kong	HK\$1	25 March 2014	100%	–	Investment holding
Xiamen Guanghuan Information Technology Co., Ltd. ("Xiamen Guanghuan")	PRC/Chinese mainland	RMB10,000,000	12 January 2009	–	100%	Game development and distribution
Xiamen Youli Information Technology Co., Ltd. ("Xiamen Youli")	PRC/Chinese mainland	RMB150,000,000	19 September 2011	–	100%	Game development and distribution
Xiamen Yidou Internet Technology Co., Ltd. ("Xiamen Yidou")	PRC/Chinese mainland	RMB20,000,000	11 June 2012	–	100%	Game development
Beijing Kailuo Tianxia Technology Co., Ltd. ("Kailuo Tianxia")	PRC/Chinese mainland	RMB60,000,000	3 May 2012	–	100%	Game development and distribution
Xiamen Feiyu Technology Co., Ltd.* ("Xiamen Feiyu")	PRC/Chinese mainland	US\$20,000,000	24 June 2014	–	100%	Investment holding Game development
Xiamen Xiyu Internet Technology Co., Ltd. ("Xiamen Xiyu")	PRC/Chinese mainland	RMB20,000,000	4 June 2015	–	100%	Game development
Beijing Baicai Tianxia Technology Co., Ltd. ("Baicai Tianxia")	PRC/Chinese mainland	RMB10,000,000	10 July 2015	–	100%	Game development and distribution
Xiamen Feixiangyue Investment Management Co., Ltd. ("Xiamen Feixiangyue")	PRC/Chinese mainland	RMB200,000,000	9 August 2016	–	100%	Asset management
Xiamen Feiyu Tianxia Information Technology Co., Ltd.* ("Feiyu Tianxia")	PRC/Chinese mainland	US\$10,000,000	21 July 2021	–	100%	Game development
Xiamen Veewo Games Co., Ltd. ("Xiamen Veewo")	PRC/Chinese mainland	RMB1,350,000	29 February 2016	–	51%	Game development

* Xiamen Feiyu Technology Co., Ltd. and Xiamen Feiyu Tianxia Information Technology Co., Ltd. are registered as wholly-foreign-owned enterprises under PRC law.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

2. ACCOUNTING POLICIES

2.1 Basis of Preparation

These financial statements have been prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards (“IASs”) and Interpretations) as issued by the International Accounting Standards Board (“IASB”), and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for debt investments at fair value through other comprehensive income, equity investments designated at fair value through other comprehensive income and financial assets at fair value through profit or loss which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

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

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

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

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

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

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

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

2.2 Changes in Accounting Policies and Disclosures

The Group has adopted amendments to IAS 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 IAS 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 in and the functional currencies of overseas subsidiaries, branches, joint ventures and associates for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

In addition, the IASB has issued amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37 *Disclosures about Uncertainties in the Financial Statements*, which added illustrative examples in the corresponding IFRS Accounting Standards. These examples reflect existing requirements in the corresponding IFRS Accounting Standards to report the effects of uncertainties in the financial statements using climate-related examples, the amendments did not have any impact on the Group's financial statements.

2.3 Issued But Not Yet Effective IFRS Accounting Standards

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

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

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 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 IAS 1 are moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as IAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statement of Cash Flows*, IAS 33 *Earnings per Share* and IAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS 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 IFRS 18 on the presentation and disclosure of the Group's financial statements.

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 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 IFRS Accounting Standards. IFRS 19 was amended in 2025 to (i) remove disclosure objectives from IFRS 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 IFRS 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 IFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of IFRS 19 and its amendments in their specified financial statements.

Amendments to IFRS 9 and IFRS 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 IFRS 9 and IFRS 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 IFRS 9 and IFRS 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 IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 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 IFRS 10 and IAS 28 was removed by the IASB. However, the amendments are available for adoption now.

Amendments to IAS 21 *Translation to a Hyperinflationary Presentation Currency* 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 IAS 29 *Financial Reporting in Hyperinflationary Economies*, to the foreign operation’s comparative figures. 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 IFRS Accounting Standards – Volume 11 set out amendments to IFRS 1, IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- IFRS 7 *Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing IFRS 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 IFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 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.

- *IFRS 9 Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 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 IFRS 16 and an extinguishment of a lease liability in accordance with IFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 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.
- *IFRS 10 Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of IFRS 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 IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- *IAS 7 Statement of Cash Flows*: The amendments replace the term “cost method” with “at cost” in paragraph 37 of IAS 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 focuses primarily on the operation and development of web and mobile games in Chinese mainland. Information reported to the Group's chief operating decision maker, for the purpose of resource allocation and performance assessment, focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

Information about geographical areas

Since no revenue or operating profit from transactions with a single geographical area other than Chinese mainland accounted for 10% or more of the Group's revenue and all of the Group's identifiable assets and liabilities were located in Chinese mainland, no geographical segment information in accordance with IFRS 8 *Operating Segments* is presented.

Information about a major customer

No revenue from the Company's sales to a single customer amounted to 10% or more of the Group's revenue for the year ended 31 December 2025 (2024: No revenue from the Company's sales to a single customer amounted to 10% or more of the Group's revenue).

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue from contracts with customers	810,239	276,748

Revenue from contracts with customers

(a) *Disaggregated revenue information*

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Types of goods or services		
Game operation	767,354	238,811
– Gross basis	668,816	123,363
– Net basis	98,538	115,448
Advertising revenue	33,053	24,386
Licensing income	4,632	8,408
Sale of goods	4,976	4,832
Online game distribution	224	298
Technical service income	–	13
Total	810,239	276,748

Timing of revenue recognition

Services and goods transferred at a point of time	805,138	268,340
Services transferred over time	5,101	8,408
Total	810,239	276,748

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	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:		
Licensing income	2,387	7,480
Game operation	5,836	3,839
Total	8,223	11,319

(b) *Performance obligations*

Licensing income

The performance obligation for licensing income is satisfied over the contracted licence period as the Group grants third-party licensees the exclusive right to operate its self-developed games in specific regions and provides related technical support and licensing products. The royalty fees, which include an upfront fee and, in certain cases, an additional fee based on player purchases, are recognized as follows: the upfront fee is recognized rateably over the contracted licence period, while the additional fee is recognized when the actual player purchases, registered with the third parties, exceed the agreed amounts in the contract.

Game operation

The performance obligation for online games is satisfied over time as the in-game items and premium features, purchased by virtual currencies, are rendered to players. Once players purchase virtual currencies, the proceeds are initially recorded as contract liabilities. Revenue is then recognized when the virtual currencies are used to acquire in-game items or premium features, either upon their consumption or rateably over the practical usage period as predetermined within the game.

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

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Amounts expected to be recognised as revenue:		
Within one year	12,975	7,481
After one year	2,284	3,316
	<hr/>	<hr/>
Total	15,259	10,797
	<hr/>	<hr/>

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised as revenue after one year relate to licensing income, of which the performance obligations are to be satisfied within three years. All the other amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year. The amounts disclosed above do not include variable consideration which is constrained.

An analysis of other income and gains is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Other income		
Rental income	7,128	6,396
Interest income	5,279	5,465
Government grants	2,628	1,584
	<hr/>	<hr/>
Total other income	15,035	13,445
	<hr/>	<hr/>
Gains		
Fair value gains, net:		
Financial assets	530	1,223
Gain on disposal of items of property, plant and equipment	–	35
Others	412	703
	<hr/>	<hr/>
Total gains	942	1,961
	<hr/>	<hr/>
Total other income and gains	15,977	15,406
	<hr/>	<hr/>

5. PROFIT BEFORE TAX

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

	2025	2024
	RMB'000	RMB'000
Cost of services provided	63,362	36,718
Cost of inventories sold	2,903	2,837
Channel costs	145,964	43,400
Distribution expenses	319,504	112,066
Depreciation of property, plant and equipment	4,372	2,373
Depreciation of right-of-use assets	2,287	2,294
Amortisation of intangible assets	96	230
Reversal of prepayments, other receivables and other assets, net	(12)	(3,732)
Debt investments at fair value through other comprehensive income (transfer from equity on disposal)	9,001	–
Loss on disposal of a subsidiary	3,672	–
Lease payments not included in the measurement of lease liabilities	2,485	2,407
Auditor's remuneration	2,100	2,050
Employee benefit expense (excluding directors' and chief executive's remuneration (note 8)):		
Wages and salaries	139,574	101,638
Equity-settled share-based payment expense	2,228	–
Pension scheme contributions	21,675	17,173
	<hr/>	<hr/>
Total	163,477	118,811
	<hr/>	<hr/>
Foreign exchange differences, net	(90)	57
Loss on disposal of items of property, plant and equipment, net	17	135
Changes in fair value of investment properties	9,377	1,656
Fair value losses, net:		
Financial assets at fair value through profit or loss	8,711	11,418
	<hr/>	<hr/>

6. INCOME TAX

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.

Under the relevant income tax law, the PRC subsidiaries were subject to income tax at a statutory rate of 25% for the year on their respective taxable income, except for Kailuo Tianxia, Xiamen Yidou and Xiamen Feiyu, which were certified as High and New Technology Enterprises (“HNTEs”) and entitled to a preferential income tax rate of 15% from 2024 to 2027, Xiamen Feixin which was certified as High and New Technology Enterprises (“HNTEs”) in 2022 and entitled to a preferential income tax rate of 15% from 2022 to 2025. Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Singapore profits tax has been provided at the rate of 17% (2024: 17%) on the estimated assessable profits arising in Singapore during the year.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Chinese mainland. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Chinese mainland and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Chinese mainland in respect of earnings generated from 1 January 2008. At 31 December 2025, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group’s subsidiaries established in Chinese mainland. In the opinion of the directors, it is not probable that these subsidiaries will distribute such earnings. The aggregate amount of temporary differences associated with investments in subsidiaries in Chinese mainland for which deferred tax liabilities have not been recognised totalled approximately RMB300,808,000 at 31 December 2025 (2024: RMB267,286,000).

	2025 <i>RMB’000</i>	2024 <i>RMB’000</i>
Current tax expense	5,369	925
Deferred tax	(1,530)	748
	<hr/>	<hr/>
Total tax expense for the year	3,839	1,673

A reconciliation of the tax expense applicable to profit before tax using the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax expense at the effective tax rate is as follows:

	2025 <i>RMB’000</i>	2024 <i>RMB’000</i>
Profit/(loss) before tax	107,781	(44,473)
	<hr/>	<hr/>
Tax at the applicable tax rates	31,176	(6,994)
Lower tax rates enacted by local authorities	(9,642)	2,827
Expenses not deductible for tax	922	281
Additional deduction on research and development expenses	(15,649)	(10,897)
Profits and losses attributable to associates	38	(591)
Adjustments in respect of current tax of previous periods	220	–
Tax losses utilised from previous periods	(22,051)	(1,460)
Tax losses not recognised	18,825	18,507
	<hr/>	<hr/>
Tax expense	3,839	1,673

7. DIVIDENDS

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

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

The calculation of the basic earnings (2024: loss) per share amount is based on the profit (2024: loss) for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,749,429,091 (2024: 1,749,429,091) outstanding during the year, as adjusted to reflect the rights issue during the year.

The calculation of the diluted profit (2024: loss) per share amount is based on the profit (2024: loss) for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the year, as used in the basic earnings (2024: loss) per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Profit/(loss)		
Profit(loss) attributable to ordinary equity holders of the parent, used in the basic earnings/loss per share calculation	<u>105,304</u>	<u>(44,394)</u>
Shares		
Weighted average number of ordinary shares outstanding during the year used in the basic earnings/loss per share calculations	1,749,429,091	1,749,429,091
Effect of dilution – weighted average number of ordinary shares: Share options	<u>1,816,021</u>	<u>–</u>
Total	<u>1,751,245,112*</u>	<u>1,749,429,091*</u>

* The diluted earnings per share amount is based on the profit for the year of RMB105,304,000 and the weighted average number of ordinary shares of 1,751,245,112 outstanding during the year.

The weighted average number of shares was after taking into account the effect of share options during the year.

9. GOODWILL

	<i>RMB'000</i>
At 1 January 2024:	
Cost	432,278
Accumulated impairment*	(420,851)
	<hr/>
Net carrying amount	11,427
	<hr/>
Cost at 1 January 2024, net of accumulated impairment	11,427
Impairment during the year	–
	<hr/>
At 31 December 2024	11,427
	<hr/>
At 31 December 2024:	
Cost	432,278
Accumulated impairment*	(420,851)
	<hr/>
Net carrying amount	11,427
	<hr/>
Cost at 1 January 2025, net of accumulated impairment	11,427
Impairment during the year	–
	<hr/>
Cost and net carrying amount at 31 December 2025	11,427
	<hr/>
At 31 December 2025:	
Cost	432,278
Accumulated impairment*	(420,851)
	<hr/>
Net carrying amount	11,427
	<hr/>

- * The Group recognised an accumulated full impairment amounting to RMB419,441,000 (2024: RMB419,441,000) for Carrot Fantasy cash-generating unit, Shenzhen Zhangxin cash-generating unit, Chengdu Guangcheng cash-generating unit and Jiong Xi You cash-generating unit and an accumulated impairment amounting to RMB1,410,000 (2024: RMB1,410,000) for Veewo cash-generating unit in prior years.

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the following cash-generating units for impairment testing:

- Veewo cash-generating unit
- Sanguo Zhiren cash-generating unit

The recoverable amounts of the above cash-generating units have been determined based on a value-in-use calculation using cash flow projections based on financial budgets covering a five-year period approved by the senior management. The discount rates applied to the cash flow projections are 22% to 24% (2024: 25% to 28%). The growth rate used to extrapolate the cash flows of the relevant games beyond the five-year period is 2.0%. The carrying amount of goodwill allocated to each cash-generating unit is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Veewo cash-generating unit	11,040	11,040
Sanguo Zhiren cash-generating unit	387	387
	<hr/>	<hr/>
Carrying amount of goodwill	11,427	11,427
	<hr/>	<hr/>

Assumptions were used in the value-in-use calculation of the cash-generating units for the years ended 31 December 2025 and 31 December 2024. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted Gross Margin – The basis used to determine the value assigned to the budgeted gross margins is the estimated margin from existing games and games in the pipeline, taking into account game popularity, income patterns in the game life cycle and the Group’s strategy in operation. The Company believes this budgeted margin is justified given its strong game development capability and experience of games, the cooperation with major third-party distribution platforms and the successful record of developing its games.

Discount rates – The discount rates used are before tax and reflect specific risks relating to the relevant units.

10. ACCOUNTS RECEIVABLE AND RECEIVABLES DUE FROM THIRD-PARTY GAME DISTRIBUTION PLATFORMS AND PAYMENT CHANNELS

The Group’s credit terms with customers generally range from one month to three months. 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 receivable balances. These receivables are non-interest-bearing.

An ageing analysis of the receivables as at the end of the year, based on the invoice date and net of loss allowance, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 3 months	57,690	51,019
	<hr/>	<hr/>

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

The balances consist of receivables from third parties which have no recent history of default and past due amounts. As at 31 December 2025 and 2024, the expected credit loss was assessed to be minimal.

11. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Prepayments	10,964	15,147
Deposits and other receivables	44,807	33,435
Loans to employees	13,840	11,548
	<u>69,611</u>	<u>60,130</u>
Impairment allowance	(26,500)	(26,512)
	<u>43,111</u>	<u>33,618</u>

The movements in the loss allowance for impairment of other receivables are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
At beginning of year	26,512	30,244
Impairment losses, net (<i>note 5</i>)	(12)	(3,732)
	<u>26,500</u>	<u>26,512</u>

Deposits and other receivables mainly represent rental deposits and deposits with suppliers. The Group applies a general approach in calculating ECL for other receivables and prepayments. Other receivables and prepayments related to debtors that are in default are classified as Stage 3 and the lifetime ECL rate was estimated to be 100% based on historical credit loss experience, resulting in an impairment balance of RMB26,500,000 (2024: RMB26,512,000). The remaining other receivables and prepayments are classified as Stage 1 without any significant increase in credit risk since initial recognition. Their recoverability was assessed with reference to the credit status of the debtors, and the expected credit loss as at 31 December 2025 was considered to be insignificant. During the year, there was no transfer from Stage 1 to Stage 3 as at 31 December 2025 (2024: RMB4,850,000). Due to the impairment allowance written off losses, the prepayment and other receivables at stage 3 decreased by RMB12,000 (2024:RMB8,582,000).

12. DEBT INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME, EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME AND FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Debt investments at fair value through other comprehensive income			
Straight bonds	(1)	<u>22,755</u>	<u>56,143</u>
Equity investments designated at fair value through other comprehensive income			
Unlisted equity investments, at fair value	(2)	<u>37,384</u>	<u>37,543</u>
Financial assets at fair value through profit or loss			
Unlisted debt investments, at fair value	(3)	21,612	30,300
Listed equity investment, at fair value	(4)	<u>1,253</u>	<u>1,815</u>
		<u>22,865</u>	<u>32,115</u>

- (1) On 15 July 2021, the Group invested in a bond issued by CLP Power Hong Kong Financing Limited with a nominal amount of US\$3,500,000 for a consideration of US\$3,542,000 (equivalent to approximately RMB23.0 million). The bond has a coupon interest rate of 2.25% per annum with a maturity period of 10 years.

During the second half of July 2021, the Group successively invested in a bond issued by Ease Trade Global Limited with an accumulated nominal amount of US\$2,800,000 for an accumulated consideration of US\$2,883,000 (equivalent to approximately RMB18.6 million). The bond has a coupon interest rate of 4.0% per annum with a maturity period of 5 years. On 10 November 2025, the bond was fully redeemed by Poly Property for a consideration of US\$2,800,000 (equivalent to approximately RMB19.8 million).

On 15 July 2021, the Group invested in a bond issued by New World Development Company Limited with a nominal amount of US\$3,500,000 for a consideration of US\$3,783,000 (equivalent to approximately RMB24.5 million). The bond has a coupon interest rate of 4.5% per annum with a maturity period of 10 years. On 4 November 2025, the entire bond was sold by the Company for a consideration of approximately US\$2,526,000 (equivalent to approximately RMB17.9 million) in advance.

Debt investments at fair value through other comprehensive income are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

- (2) The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature, which represented equity investments in one company listed on the National Equities Exchange And Quotations of the PRC, and four unlisted entities incorporated in the PRC and Singapore.
- (3) The above unlisted debt investments represented the investments in two unlisted limited partnerships.
- (4) The listed equity investment, which represented an equity investment in a company listed on the Nasdaq Global Select Market was classified as a financial asset at fair value through profit or loss as it was held for trading.

13. SHARE CAPITAL

Shares

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Issued and fully paid: 1,749,442,062 (2024: 1,749,442,062) ordinary shares	<u>1</u>	<u>1</u>

The ordinary shares of the Company do not have a par value.

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

	Number of issued and fully paid ordinary shares	Nominal value of ordinary shares <i>RMB'000</i>	Share premium <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2024	1,749,166,062	1	604,566	604,567
Share options exercise	<u>276,000</u>	<u>–</u>	<u>58</u>	<u>58</u>
At 31 December 2024 and 1 January 2025	1,749,442,062	1	604,624	604,625
Share options exercise	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
At 31 December 2025	<u>1,749,442,062</u>	<u>1</u>	<u>604,624</u>	<u>604,625</u>

14. EQUITY-SETTLED SHARE-BASED PAYMENTS

Share option schemes

The Company approved and adopted a post-IPO share option scheme (the “Post-IPO Share Option Scheme”) pursuant to shareholders’ written resolutions and directors’ written resolution passed on 17 November 2014. The Post-IPO Share Option Scheme was terminated in the extraordinary general meeting on 24 May 2024. All 5,800,000 outstanding share options under the Post-IPO Share Option Scheme would continue to be valid and exercisable in accordance with the principal terms of the Post-IPO Share Option Scheme.

The Company approved and adopted a new share option scheme (the “2024 Share Option Scheme”) for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. Eligible participants of the scheme include the employee participants, the related entity participants, and the service providers. The Scheme became effective on 24 May 2024 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised share options and awards currently permitted to be granted under the 2024 Share Option Scheme and any other share schemes of the Company is an amount equivalent, upon their exercise, to 10% of the shares of the Company, being 174,944,206 shares, as at the adoption date. The maximum number of shares issuable under share options and awards to be granted to service providers under the 2024 Share Option Scheme and any other share schemes of the Company is limited to 1% of the shares of the Company in issue on the adoption date.

The maximum number of shares issuable under share options and awards granted to each eligible participant under the 2024 Share Option Scheme and any other share schemes of the Company within any 12-month period is limited to 1% of the shares of the Company in issue as at the date on which the share options are granted to the relevant eligible participants. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options proposed to be granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, which would result in the total number of shares issuable under all share options and awards granted under the 2024 Share Option Scheme and any other share schemes of the Company within the 12-month period exceeding 0.1% of the shares of the Company in issue on the grant date are subject to shareholders' approval in advance in a general meeting.

On 27 March 2017, under the Post-IPO Share Option Scheme, share options were granted to employees to subscribe for 10,160,000 shares at an exercise price of HK\$1.256 per share. 7,160,000 share options granted will be vested equally in four tranches as to 25% of the number of shares on 31 December 2017, 2018, 2019 and 2020, respectively. 3,000,000 share options granted will be vested in three tranches as to 50%, 25% and 25% of the number of shares on 30 June 2017, 2018 and 2019, respectively. Each option granted if not exercised subsequently will expire on 26 March 2027. On 15 May 2017, under the Post-IPO Share Option Scheme, share options were granted to employees to subscribe for 5,000,000 shares at an exercise price of HK\$1.1 per share. All share options granted will be vested equally in four tranches as to 25% of the aggregate number of shares on 15 May 2018, 2019, 2020 and 2021, respectively. Each option granted if not exercised subsequently will expire on 14 May 2027. On 13 November 2017, under the Post-IPO Share Option Scheme, share options were granted to one member of senior management to subscribe for 15,000,000 shares at an exercise price of HK\$1.026 per share. All share options granted will be vested equally in three tranches as to 33% of the aggregate number of shares on 13 November 2018, 2019 and 2020, respectively. Each option granted if not exercised subsequently will expire on 12 November 2027. On 1 January 2020, under the Post-IPO Share Option Scheme, share options were granted to employees to subscribe for 22,000,000 shares at an exercise price of HK\$0.1804 per share. 10,000,000 share options granted will be vested in three tranches as to 10%, 40%, 50% of the number of shares on 31 December 2020, 2021 and 2022, respectively. 12,000,000 share options granted will be vested equally in three tranches as to 33% of the number of shares on 31 December 2020, 2021 and 2022, respectively.

Each option granted if not exercised subsequently will expire on 21 January 2024. On 8 May 2020, under the Post-IPO Share Option Scheme, share options were granted to employees to subscribe for 90,000,000 shares at an exercise price of HK\$0.1804 per share. 50,000,000 share options granted will be vested in three tranches as to 20%, 30%, 50% of the number of shares on 31 December 2020, 2021 and 2022, respectively. 18,000,000 share options granted will be vested in two tranches as to 44%, 56% of the number of shares on 31 December 2021 and 2022, respectively. 22,000,000 share options granted will be vested in three tranches as to 32%, 32%, 36% of the number of shares on 31 December 2020, 2021 and 2022, respectively. Each option granted if not exercised subsequently expired on 21 January 2024.

On 25 July 2025, under the 2024 Share Option Scheme, share options were granted to employees to subscribe for 125,740,000 shares at an exercise price of HK\$0.38 per share. 125,740,000 share options granted will be vested in five tranches on 31 July 2026, 2027, 2028, 2029 and 2030, respectively. Each option granted will subsequently expire on 24 July 2031 if not exercised.

The following share options were outstanding under the Schemes during the year:

	2025		2024	
	Weighted average exercise price <i>HK\$ per share</i>	Number of options <i>'000</i>	Weighted average exercise price <i>HK\$ per share</i>	Number of options <i>'000</i>
At 1 January	1.26	5,800	0.93	8,300
Granted during the year	0.38	125,740	–	–
Forfeited during the year	–	–	–	–
Exercised during the year	–	–	0.18	(276)
Expired during the year	–	–	0.18	(2,224)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December	0.42	131,540	1.26	5,800

No share options were exercised in 2025 (2024: HK\$0.1804 per share).

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

2025

Number of options <i>'000</i>	Exercise price* <i>HK\$ per share</i>	Exercise period
5,800	1.26	31-12-2017 to 26-03-2027
<hr/> 125,740	0.38	31-07-2026 to 24-07-2031
<hr/> <hr/> 131,540		

2024

Number of options <i>'000</i>	Exercise price* <i>HK\$ per share</i>	Exercise period
<hr/> 5,800	1.26	31-12-2017 to 26-03-2027
<hr/> <hr/> 5,800		

The fair values of the share options granted on the grant date, 25 July 2025, were HK\$0.20 for key management and HK\$0.19 for employees. The fair values of the share options granted during the year were HK\$3,538,000 for key management (2024: Nil) and HK\$20,762,000 for employees (2024: Nil), of which the Group recognised a share option expense of HK\$2,448,000 (2024: Nil) during the year ended 31 December 2025.

The fair values of equity-settled share options granted during the year were estimated as at the date of grant, using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

	2025
Exercise price (HK\$)	0.38
Expected volatility (%)	58.87
Dividend yield (%)	0.00
Risk-free interest rate (%)	2.69
Suboptimal factor	2.80x (executives)/2.20x (other employees)

The expected life of the options is based on the share option schemes and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No other feature of the options granted was incorporated into the measurement of fair value.

OTHER INFORMATION AND CORPORATE GOVERNANCE HIGHLIGHTS

Annual General Meeting

The 2026 AGM is scheduled to be held on Friday, 22 May 2026. A notice convening the AGM will be published and dispatched to the Shareholders in accordance with the requirements of the Articles of Association and the Listing Rules in due course.

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

During the year ended 31 December 2025, neither the Company, its subsidiaries nor any of the PRC Operating Entities has purchased, sold or redeemed any of the Company's listed securities.

Final Dividend

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

Closure of Register of Members

To ascertain the eligibility of the Shareholders to attend and vote at the AGM to be held on Friday, 22 May 2026, the register of members of the Company will be closed as set out below:

Latest time to lodge transfer	At 4:30 p.m. on Monday, 18 May 2026
Closure of Register of Members	Tuesday, 19 May 2026 to Friday, 22 May 2026, (both days inclusive)
Record date	Friday, 22 May 2026

During the above closure period no transfer of Shares will be effected. In order to be eligible to attend and vote at the AGM, all transfers of Shares accompanied by the relevant Share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than the aforementioned latest time.

Audit Committee

The Company established the Audit Committee on 17 November 2014 with written terms of reference adopted in compliance with the CG Code and the terms of reference was amended on 28 December 2015, 27 December 2018 and 26 March 2024 respectively. As at the date of this announcement, the Audit Committee comprises Ms. LIU Qianli, Mr. LAI Xiaoling and Mr. CAO Xi, all of whom are independent non-executive Directors.

The Audit Committee, together with the Board and the auditors of the Company, has reviewed the accounting standards and practices adopted by the Group and the consolidated financial statements of the Company for the year ended 31 December 2025.

Scope of Work of The Company's Auditors in Respect of The Preliminary Announcement

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Company's auditors to the amounts set out in the Group's draft consolidated financial statements for the year. The auditors made no comments as to the reasonableness or appropriateness of those assumptions of the "Non-IFRSs Measures" as presented in the preliminary announcement. The work performed by the Company's auditors 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 the Company's auditors on the preliminary announcement.

Compliance with the CG Code

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of shareholders and to enhance corporate value and accountability. Save as disclosed herein below, the Company has complied with all applicable code provisions under the CG Code for the year ended 31 December 2025.

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. YAO Jianjun serves as the Chairman and Chief Executive Officer of the Company. In view of Mr. YAO Jianjun's extensive experience in the industry, personal profile and role in the Group and its historical development, the Board believes that it is appropriate and beneficial to the business prospects of the Group that Mr. YAO Jianjun act as both Chairman and Chief Executive Officer. Furthermore, the Board believes that vesting the roles of both Chairman and Chief Executive Officer in an experienced and qualified person such as Mr. YAO Jianjun should help to provide strong and consistent leadership, allowing the Company to more effectively plan and implement business decisions and strategies. Besides, all major decisions have been made in consultation with members of the Board, which comprises experienced and high caliber individuals, appropriate Board committees, as well as the senior management team. The Board is, therefore, of the view that there are adequate checks and balances in place. Nevertheless, the Board will continue to monitor and review the Company's current structure and make necessary changes at an appropriate time.

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

Compliance with the Model Code

The Company has adopted the Model Code for securities transactions by the Directors. Having made specific enquiries with all the Directors, each of the Directors has confirmed that he/she has complied with the Model Code throughout the year ended 31 December 2025.

Senior management, executives and staff who, because of their offices in the Company are likely to possess inside information, have also been requested to comply with the Model Code for securities transactions. No incident of non-compliance with the Model Code by such employees was noted by the Company during the year ended 31 December 2025.

Publication of the 2025 Annual Report

This annual results announcement is published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.feiyuhk.com), and the 2025 annual report containing all the information required by the Listing Rules will be published on the abovementioned websites in due course.

APPRECIATION

The Board would like to express its sincere gratitude to the shareholders, management team, employees, business partners and customers of the Group for their continued support and contribution.

GLOSSARY

“2024 Restricted Share Unit Scheme”	the restricted share unit scheme adopted by the Shareholders on 24 May 2024
“2024 Share Option Scheme”	the share option scheme adopted by the Shareholders on 24 May 2024
“ARPPU”	average revenue per paying user, calculated by dividing monthly average revenue from the sale of virtual items and premium features during a certain period by the number of average MPUs during the same period
“Articles of Association”	the articles of association of the Company currently in force
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors
“Cayman Islands”	the Cayman Islands
“CG Code”	Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“Chairman”	the chairman of the Board
“Chief Executive Officer”	the chief executive officer of the Company
“China” or “PRC” or “Mainland China”	the People’s Republic of China excluding, for the purpose of this announcement, the Hong Kong Special Administrative Region of the People’s Republic of China, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Company” or “Feiyu”	Feiyu Technology International Company Ltd., an exempted company incorporated in the Cayman Islands with limited liability on 6 March 2014
“Director(s)”	director(s) of the Company
“Group” or “the Group”	the Company, its subsidiaries and the PRC Operating Entities
“HK\$” or “Hong Kong dollars” or “HKD”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the People’s Republic of China

“IAS(s)”	International Accounting Standards
“IASB”	International Accounting Standard Board
“IFRS(s)”	International Financial Reporting Standards, amendments and interpretations issued by the IASB
“IP”	Intellectual Property
“Land”	the land located in Huli District, Xiamen, the PRC as disclosed in the Company’s announcement dated 21 July 2016
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
“MAUs”	monthly active users, which is the number of players who logged into a particular game in the relevant calendar month. Under this metric, a player who logged into two different games in the same month is counted as two MAUs. Similarly, a player who plays the same game on two different publishing platforms in a month would be counted as two MAUs. Average MAUs for a particular period is the average of the MAUs in each month during that period
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“MPUs”	monthly paying users, which is the number of paying players in the relevant calendar month. Average MPUs for a particular period is the average of the MPUs in each month during that period
“PC”	personal computer
“PRC Operating Entities”	Xiamen Guanghai and its subsidiaries and “PRC Operating Entity” means any one of them
“R&D”	research and development
“Renminbi” or “RMB”	Renminbi yuan, the lawful currency of the PRC

“RPG”	role-playing games, which involve a large number of players who interact with each other in an evolving fictional world. Each player adopts the role of one or more “characters” who develop specific skill sets (such as melee combat or casting magic spells) and control the character’s actions. There are unlimited possible game scenarios where the evolution of the game world is determined by the actions of the players, and the storyline continuously evolves even while the players are offline and away from the games
“RSU(s)”	restricted share units or any one of them
“Share(s)”	ordinary share(s) in the share capital of our Company with nominal value of US\$0.0000001 each
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary” or “subsidiaries”	has the meaning ascribed thereto in section 15 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong)
“US\$”, “United States Dollars” or “USD”	United States dollars, the lawful currency of the United States of America
“Xiamen Guanghuan”	Xiamen Guanghuan Information Technology Co., Ltd. (廈門光環信息科技有限公司), a limited company incorporated under the laws of the PRC on 12 January 2009

By Order of the Board
Feiyu Technology International Company Ltd.
YAO Jianjun
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 27 March 2026

As at the date of this announcement, the Board comprises Messrs. YAO Jianjun, CHEN Jianyu, BI Lin, and LIN Zhibin, as executive Directors; and Ms. LIU Qianli, and Messrs. LAI Xiaoling and CAO Xi, as independent non-executive Directors.