iDreamSky Technology Holdings Limited

创梦天地科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1119

ANNUAL REPORT 2025

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Corporate Information

Board of Directors

Executive Directors

Mr. Chen Xiangyu *(Chairman of the Board and Chief Executive Officer)*
Mr. Guan Song
Mr. Yang Jialiang

Non-executive Directors

Mr. Zhang Han
Mr. Yang Ming

Independent Non-executive Directors

Ms. Yu Bin
Mr. Li Xintian
Mr. Zhang Weining
Mr. Mao Rui

Audit Committee

Mr. Zhang Weining *(Chairman)*
Mr. Zhang Han
Ms. Yu Bin
Mr. Li Xintian

Nomination Committee

Mr. Chen Xiangyu *(Chairman)*
Mr. Guan Song
Ms. Yu Bin
Mr. Li Xintian
Mr. Zhang Weining

Remuneration and Appraisal Committee

Ms. Yu Bin *(Chairman)*
Mr. Yang Jialiang
Mr. Li Xintian
Mr. Zhang Weining

Strategy Committee

Mr. Chen Xiangyu *(Chairman)*
Mr. Guan Song
Mr. Yang Ming
Mr. Zhang Weining
Mr. Mao Rui

AUTHORIZED REPRESENTATIVES

Mr. Guan Song
Ms. Ng Ka Man *(ACG, HKACG)*

JOINT COMPANY SECRETARIES

Ms. Tang Xu
Ms. Ng Ka Man *(ACG, HKACG)*

LEGAL ADVISOR

As to Hong Kong law:
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AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor
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Shenzhen
Guangdong Province
PRC

Bank of China
Zhongxing Sub-branch
West Side, 1/F, ZTE R&D Building
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Shenzhen
Guangdong Province
PRC

COMPANY'S WEBSITE

www.idreamsky.com

STOCK CODE

1119

DATE OF LISTING

6 December 2018

Financial Highlights

	For the year ended 31 December				
	2021 *RMB'000*	2022 *RMB'000* (Restated)	2023 *RMB'000*	2024 *RMB'000*	**2025** ***RMB'000***
Revenues	2,637,637	2,594,528	1,916,473	1,513,644	**1,338,089**
Gross profit	1,103,341	400,460	673,461	426,789	**532,396**
Profit/(Loss) before income tax	(181,180)	(2,507,750)	(470,357)	(574,117)	**23,099**
Profit/(Loss) for the year	(155,930)	(2,521,578)	(456,830)	(544,604)	**19,918**
Adjusted profit/(loss) for the year	110,799	(576,152)	139,597	(30,322)	**200,965**

Note: To supplement our consolidated financial statements which are presented in accordance with IFRS, we also use adjusted profit/loss for the year as an additional financial measure to evaluate our financial performance by eliminating the impact of items that we do not consider indicative of the performance of our business. Our adjusted profit/loss for the year was derived from our profit/loss for the year excluding share-based compensation expenses, fair value gains or losses on financial assets, impairment of investments in associates accounted for using the equity method, fair value changes on financial liabilities at fair value through profit or loss, interest expense on convertible bonds, impairment of intangible assets, net impairment losses on financial assets, impairment of prepayments and net exchange gains/losses.

	As at 31 December				
	2021 *RMB'000*	2022 *RMB'000*	2023 *RMB'000*	2024 *RMB'000*	**2025** ***RMB'000***
Total assets	6,610,940	4,323,718	3,707,673	3,590,220	**3,624,742**
Total liabilities	2,401,698	2,529,176	1,964,446	2,134,852	**1,864,612**
Total equity	4,209,242	1,794,542	1,743,227	1,455,368	**1,760,130**

Dear investors, partners and friends concerned about iDreamSky,

In 2025, we concentrated on our core game business and resolutely pursued the dual engine strategy of "overseas high-quality game publishing + self-development". Both our self-development and publishing lines delivered substantive progress, enabling the Company to return to profitability for the year. Our evergreen publishing titles continued to perform steadily, while self-developed games launched across multiple platforms and commenced commercial operation. Overall margin improved year-on-year and operating quality showed meaningful, sustainable enhancement, laying a firmer foundation for future growth.

Over the past decade, we seized the opportunities presented by the rise of mobile Internet — from selectively licensing high-quality overseas titles and deeply localizing them, to gradually building capabilities in both development and publishing in the global market. Our platform services have been progressively standardized and productized, yielding clear efficiency gains and cost advantages. With the launch of our self-developed products across multiple platforms and the AI-driven efficiency improvements, we are gradually receiving positive financial returns from our self-development segment.

Advancing alongside our core business is the systematic cultivation of IP. Published and self-developed games serve as the primary carriers for our IP characters, providing visual expression, interactive experiences, data feedback for iteration, and commercialization pathways. Original IP character "Shan-Shan" and more than twenty IP characters from Strinova have amassed substantial fan bases this year and begun to generate off-game monetization. We believe that with sustained content output and full-matrix reuse, high-quality IP can transcend technology and platform cycles, becoming long-term core assets for the Company.

We have deeply integrated AI across the full product lifecycle–product initiation, content planning, development and testing, publishing and operations, and user acquisition–significantly improving efficiency and contributing to year-on-year reductions in operating and administrative expenses. At the same time, AI is being embedded into our character systems to create genuine virtual emotional companionship; we expect this capability to become an important growth driver in the years ahead.

STABLE PERFORMANCE OF HIGH-QUALITY GAME PUBLISHING BUSINESS — A SUSTAINABLE AND GROWING BUSINESS MODEL

Our publishing business is a mature and proven model: we selectively introduce differentiated vertical titles. By leveraging refined precise user acquisition, continuous content iteration, IP collaborations and original creations, and community operations, we safeguard long-term product vitality and steadily reinforce the Company's core business base.

Thirteen years after launch, Subway Surfers reached a record high in daily payment conversion rate in 2025, with daily ARPU remaining robust at historically high levels. Our original IP character "Shan-Shan" broke through via multiple original singles and nearly 200 million total online impressions, and this year completed an authorized cross-game collaboration with a major title — an important first step toward monetizing our own IP. This process also cemented our end-to-end IP incubation capability, from art design to technical implementation, laying the groundwork for an independently monetizable IP portfolio. Leveraging a "Game + Cultural Tourism" model — from the special edition for the "45th Anniversary of the Shenzhen Special Economic Zone" in partnership with Shenzhen Culture and Tourism, to collaborations with high-quality IPs such as Wang's Shadow Puppetry and Boonie Bears — we have developed a reusable cooperation framework that materially lowers collaboration costs while increasing user stickiness and willingness to pay.

In 2025, Gardenscapes and Homescapes used a "seasonal themes + precision collaborations" strategy to deepen user value. The Battle Pass season themed on "Empresses in the Palace" generated the highest seasonal revenue in three years, while single-day ARPU, conversion rates, and users' average monthly active days all hit record highs — further consolidating our position in the match-3 genre. Deep IP collaborations and cross-sector partnerships such as with "Harbin Culture and Tourism" drove coordinated growth across core titles; refined channel operations significantly increased monetization and widened commercial boundaries. These titles ranked among the top three match-3 games in major app stores, demonstrating the strength of our long-term live operations. Our proprietary community platform, Fanbook, fostered a high-stickiness user pool: community users grew 22% year-on-year in 2025 and average online time per user rose by 60%, with high-frequency interaction and premium services effectively extending user lifetime value.

War Robots remains the leader in mecha-themed shooters. In June 2025, we ran a deep collaboration with "the Father of Mecha Design", Kunio Okawara, launching the melee-equipped unit "Sky Sword" and bespoke content — an R&D + operation integrated effort that also empowered the overseas developer. In August, the average peak concurrent users rose 11% year-on-year, setting a new record. Core players in Fanbook community exceeded 200,000 in 2025, with 94% active rate, reflecting exceptional player loyalty. The PC version is planned for summer 2026, enabling cross-platform operation.

"Shop Titans (傳奇商店：經營與打造)" has formed deep partnerships with multiple classic IPs to continuously enrich its content ecosystem. More versions and gameplay modes will be launched in 2026 to ensure long-term player engagement. "All in Hole (超級洞洞樂)" has had the payment testing completed for its WeChat and TikTok mini-programs and is scheduled to launch across all platforms in the second quarter of 2026.

We have multiple overseas high quality titles in reserve and continue to introduce new games to fortify our growth base. "Rush Royale (衝衝奇兵)" is a PVP strategy tower defense game that incorporates card collection and hero development elements. Two rounds of closed beta testing have been completed for the game. "Castle Duels (幻幻靈之戰)" combines three key mechanics: card-building, real-time PVP, and auto-chess. It has already received a positive response overseas, demonstrating its potential for sustainable monetization.

STRINOVA: MULTI-PLATFORM LAUNCH AND COMMERCIALIZATION

In 2025, we changed the domestic publisher of Strinova PC version to ourselves. Its unique "Stringification Mode" gameplay has built a solid competitive moat in the anime-style shooter genre, achieving three major breakthroughs: counter-cyclical growth of PC version, a successful mobile launch, and the expansion of its cultural influence beyond its core audience.

The game has surpassed 1 million official fanbase on Bilibili, securing its place among the top tier of domestic anime-style shooter games. Leveraging the decision-making efficiency and commercial optimization enabled by self-operation, the PC version achieved a 40% year-on-year increase in daily active users, a 90% year-on-year increase in monthly revenue, and a 73.8% increase in monthly ARPU in early 2026. Upon its launch in October 2025, the mobile version immediately topped the charts on multiple platforms, including iOS, TapTap, and Bilibili. The Company successfully integrated PC and mobile operations, establishing a closed-loop capability spanning from development to publishing.

The lively atmosphere at the Carnival National College Competition and the 48 million exposures on Bilibili's content ecosystem demonstrated the product's strong appeal. Strinova characters appeared at the closing ceremony of the 15th National Games and collaborated with Harbin Culture and Tourism to launch a winter-limited map, driving a recovery in user activity alongside the New Year's Day update.

Moving forward, we will fully explore the commercial and social value of "Strinova (卡拉彼丘)": by developing new gameplay modes such as "Extraction Operation" and enhancing our large-scale map production capabilities, we aim at opening up new possibilities for the game's long-term evolution; advance integration of AI Agents to enrich personalized emotional experiences and attract a broad anime audience; establish in-game item trading and a linked "virtual appearance + physical merchandise" model to create a closed loop between digital rights and real goods. We will continue to expand the IP matrix, strengthen the "Meow" cultural brand, and focus on overseas markets with mature anime audiences. Through global PC-mobile collaboration, we aim to build Strinova into a globally competitive, evergreen IP.

AI: RESHAPING GAME DEVELOPMENT, LIVE OPERATIONS AND PLAYER INTERACTION

Generative AI is reshaping game industry in every way: from content creation to player experience, changes are evident everywhere. Over the past year, the company has achieved a systematic, point-to-surface deployment in AI enablement: operations uses AI for voice-of-player analysis, KOC management and scalable high-quality content production — reducing content costs by over 50% and accelerating decision cycles; development teams, in partnership with leading cloud providers, embedded AI tools into core pipelines such as art and code generation, while our in-house AI Bot improved competitive matchmaking. More profoundly, we are using AI to give characters a sense of "soul".

The convergence of gaming and AI has given rise to a new kind of player-character relationship: players no longer simply "use characters" but rather "coexist with characters." We integrated our proprietary "SuMeng Large Model" into the "Strinova AI Lounge". By leveraging AI-powered voice and memory capabilities, characters transcend scripted boundaries to interact with players in real time through natural, fluid emotional responses and continuous memory — creating a truly genuine virtual emotional companionship experience. The initial launch validated the feasibility and market potential of this approach.

This is not merely a feature upgrade but a proactive evolution of the experience paradigm — shifting from content consumption to emotional symbiosis. This technical architecture offers the potential of full-matrix reuse, enabling rapid reactivation of IP characters across our evergreen titles. When characters gain continuous learning and emotional interaction capabilities, player stickiness will rise dramatically, becoming a core long-term asset for iDreamSky in building differentiated competitive advantage.

ACTIVELY FULFILLING CORPORATE SOCIAL RESPONSIBILITY

While advancing our business in 2025, we remained committed to social responsibility. We deeply participated in the "Safeguarding Seedlings on E-Road" initiative, strictly implemented measures to protect minors online, and contributed to the compilation of the "2025 Shenzhen Joint Online Protection Plan for Minors", taking concrete actions to safeguard the healthy growth of young people. We donated HKD1 million to support relief efforts following the Tai Po fire in Hong Kong. Through the "Pomegranate Seed Project", we supported educational equity in remote areas, and participated in the "Green and Beautiful Guangdong" initiative to help build an ecological barrier. We also partnered with Shenzhen Culture and Tourism to launch the "45th Anniversary of the Shenzhen Special Economic Zone" edition of "Subway Surfers (地鐵跑酷)", using digital media to promote local culture. Through platforms such as the Game Innovation Workshop, we continue to explore how digital technologies can support youth development and cultural heritage. We strive to be a caring and responsible digital entertainment company.

In recent years, iDreamSky has transformed from a pure mobile publisher into a company capable of cross-platform development and international operations. These trials have made the Company more resilient and mature. As our self-developed game development business enters the commercialization phase, "Strinova" has established a stable market position in the anime-style shooter genre and is gradually unlocking its commercial potential. Our overall investment has been significantly reduced, and our self-developed game business has entered a positive cycle. We will continue leveraging the core capabilities we have honed over more than a decade — from high-quality overseas games sourcing and deep localization, to robust support provided by the standardization and productization of our middle-platform services — to steadily expand our publishing business and promote the self-developed products to be IP assets.

Looking ahead, standing on a more solid operational foundation and with greater strategic initiative, we will deepen the "overseas high-quality game publishing + self-development" dual engine, and accelerate product innovation and technological empowerment. In the era of artificial intelligence, we are keenly seizing opportunities while prudently managing investments, focusing on key areas which can build long-term competitive moats.

We are fully confident about the future and will step into a new development phase with resolute strides.

We sincerely thank all our friends who have long cared for and supported iDreamSky. Let us join hands and create a bright future together.

Chairman
Chen Xiangyu
Shenzhen, the PRC, 30 March 2026

The following table sets forth the comparative figures for the years ended 31 December 2025 and 2024:

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Revenues	**1,338,089**	1,513,644
Cost of revenues	**(805,693)**	(1,086,855)
Gross profit	**532,396**	426,789
Selling and marketing expenses	**(232,152)**	(196,485)
General and administrative expenses	**(94,473)**	(126,498)
Research and development expenses	**(82,944)**	(165,164)
Impairment losses on intangible assets	**(1,636)**	(9,972)
Net impairment losses on financial assets	**(65,815)**	(185,735)
Other income	**14,932**	12,409
Other losses, net	**(18,530)**	(19,304)
Fair value losses on financial assets at fair value through profit or loss	**(30,109)**	(81,400)
Operating profit/(loss)	**21,669**	(345,360)
Finance income	**2,844**	3,861
Finance costs	**(58,985)**	(110,025)
Finance costs, net	**(56,141)**	(106,164)
Share of results of investments accounted for using the equity method	**64,916**	(17,097)
Impairment of investments accounted for using the equity method	**(7,345)**	(105,496)
Profit/(loss) before income tax	**23,099**	(574,117)
Income tax (expense)/credit	**(3,181)**	29,513
Profit/(loss) for the year	**19,918**	(544,604)
Adjusted profit/(loss) for the year	**20,965**	(30,322)

Revenues

Revenue for the year ended 31 December 2025 decreased by 11.6% year-on-year to approximately RMB1,338.1 million (2024: RMB1,513.6 million). The following table sets forth our revenue for the years ended 31 December 2025 and 2024:

	Year ended 31 December			
	2025		2024	
	RMB'000	%	RMB'000	%
Game revenue	1,199,309	89.6	1,455,942	96.2
Information service revenue	136,451	10.2	49,548	3.3
Others	2,329	0.2	8,154	0.5
Total	1,338,089	100.0	1,513,644	100.0

Game revenue

The largest portion of our revenue was derived from game revenue, which contributed 89.6% and 96.2% of our total revenue for the years ended 31 December 2025 and 2024, respectively. Game revenue decreased by 17.6% from RMB1,455.9 million for the year ended 31 December 2024 to RMB1,199.3 million for the year ended 31 December 2025. The main reason for the decrease in game revenue in the same period is that the legacy product "Glory All Stars (榮耀全明星)" has entered a mature period of operation, and its revenue has naturally declined. At the same time, the Company has proactively shut down some game projects with low gross profit and low contribution, resulting in periodic pressure on revenue.

During the reporting period, the Company actively optimized its product matrix. Revenues from newly launched products such as "Strinova" (overseas PC game and domestic mobile game), "Shop Titans" and "Delta Force" increased steadily, partially offsetting the impact of the aforementioned decline in revenue. Evergreen games including "Subway Surfers", "Gardenscapes", "Homescapes" and "War Robots" maintained stable operations and continuous revenue contribution. The self-developed game "Strinova" has completed integrated operation of its PC game and mobile game, establishing a closed-loop capability spanning the entire R&D and operation chain. The Company will continue to increase investment in new products and refine operations, and it is expected that the scale and quality of revenue will steadily improve.

Information service revenue

Our information service revenue is mainly derived from our advertising business and technical services. Revenue from information services increased from RMB49.5 million for the year ended 31 December 2024 to RMB136.5 million for the year ended 31 December 2025. The increase was mainly attributable to the continuous improvement of advertising technology and customer service capabilities, as well as the increase in advertisers' budget, which drove the performance of information service business to improve, plus the technical service business contributing RMB46.0 million in revenue in 2025, generated from providing customized technical solutions like app platform construction, in-game AI services and software development for game manufacturers and cross-industry clients.

Cost of Revenues

For the year ended 31 December 2025, the total cost of revenues of the Group was RMB805.7 million (2024: RMB1,086.9 million), representing a year-on-year decrease of 25.9%. As a percentage of revenue, the cost of revenues decreased from 71.8% for the year ended 31 December 2024 to 60.2% for the year ended 31 December 2025. The decrease was mainly due to the higher proportion of revenue from self-developed products with lower cost-of-revenue ratio and newly launched products, resulting in an overall reduction in the cost of revenues.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 18.2% from RMB196.5 million for the year ended 31 December 2024 to RMB232.2 million for the year ended 31 December 2025. The increase in selling and marketing expenses was mainly due to the increase in our marketing expenses for the PC version and the mobile version of "Strinova" and the newly launched game.

General and Administrative Expenses

Our general and administrative expenses were RMB94.5 million and RMB126.5 million for the years ended 31 December 2025 and 2024, respectively, and our general and administrative expenses decreased from 8.4% for the year ended 31 December 2024 to 7.1% for the year ended 31 December 2025 as a percentage of revenue. As we implement refined cost control, it proactively optimizes public expenditures and strictly curbs unnecessary spending to achieve scientific cost reduction and efficiency improvement.

Research and Development Expenses

Our research and development expenses were RMB82.9 million and RMB165.2 million for the years ended 31 December 2025 and 2024, respectively. As a percentage of revenue, our research and development expenses decreased from 10.9% for the year ended 31 December 2024 to 6.2% for the year ended 31 December 2025. The decrease in research and development expenses was mainly attributable to the increasing maturity of self-developed game "Strinova", with related expenditure gradually reduced; at the same time, we fully applied AI technology to all aspects of game development, effectively improved R&D efficiency, further reduced R&D costs, and promoted the optimization of overall R&D expenses.

Net Impairment Losses on Financial Assets

We recorded net impairment losses on financial assets of RMB65.8 million and RMB185.7 million for the years ended 31 December 2025 and 2024, respectively.

Fair Value Losses on Financial Assets at Fair Value through Profit or Loss

The fair value losses on financial assets at fair value through profit or loss decreased from RMB81.4 million for the year ended 31 December 2024 to RMB30.1 million for the year ended 31 December 2025.

Impairment of Investments in Associates Accounted for Using the Equity Method

The impairment of investments in associates accounted for using the equity method decreased from RMB105.5 million for the year ended 31 December 2024 to RMB7.3 million for the year ended 31 December 2025.

Finance Costs, Net

Our net finance costs decreased from RMB106.2 million for the year ended 31 December 2024 to RMB56.1 million for the year ended 31 December 2025. The decrease in finance costs, net was mainly due to the corresponding savings in interest expenses as a result of the decrease in financing interest rates.

Income Tax Credit/Expense

We recorded an income tax expense of RMB3.2 million for the year ended 31 December 2025 as compared to an income tax credit of RMB29.5 million for the year ended 31 December 2024.

Loss/Profit for the Year

For the years ended 31 December 2025 and 2024, we recorded a profit for the year of RMB19.9 million and a loss for the year of RMB544.6 million, respectively, turning losses into profits. Our adjusted profit for the year ended 31 December 2025 was RMB201.0 million, and our adjusted loss for the year ended 31 December 2024 was RMB30.3 million.

OTHER FINANCIAL INFORMATION

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Adjusted Profit/(Loss) for the year[(1)]	**200,965**	(30,322)
EBITDA[(2)]	**166,146**	(406,921)
Adjusted EBITDA[(3)]	**314,370**	56,368

Notes:

(1) Our adjusted profit/loss for the year was derived from our profit/loss for the year excluding share-based compensation expenses, fair value gains or losses on financial assets, impairment of investments in associates accounted for using the equity method, fair value changes on financial liabilities at fair value through profit or loss, interest expense on convertible bonds, impairment of intangible assets, net impairment losses on financial assets, impairment of prepayments and net exchange gains/losses.

(2) EBITDA is net income or loss before interest expenses, income tax expense/credit, and depreciation and amortization.

(3) Adjusted EBITDA is calculated using adjusted profit/(loss) for the year, adding back share-based compensation expenses, fair value gains or losses on financial assets, impairment of investments in associates accounted for using the equity method, fair value changes on financial liabilities at fair value through profit or loss, impairment of intangible assets, net impairment losses on financial assets, impairment of prepayments and net exchange gains/losses.

Non-IFRS Financial Measure

To supplement the consolidated financial statements of the Group prepared in accordance with IFRS, the three non-IFRS measures, namely adjusted profit for the year, EBITDA and adjusted EBITDA, as additional financial measures, have been presented in this annual report. These unaudited non-IFRS financial measures are used by the management of the Company to evaluate the Company's financial performance by eliminating the impact of items that they consider not indicative of the Company's operating performance and should be considered in addition to, not as a substitute for, measures of the Group's financial performance prepared in accordance with IFRS. In addition, these non-IFRS financial measures may be defined differently from similar terms used by other companies.

The Company's management believes that the presentation of non-IFRS measures when shown in conjunction with the corresponding IFRS measures provides useful information regarding the Group's financial performance to investors and shareholders of the Company. The Company's management also believes that the non-IFRS measures are appropriate for evaluating the Group's operating results and the relevant trends relating to its financial position. From time to time in the future, there may be other items that the Company may exclude in reviewing its financial results.

The following tables set forth the reconciliations of the Group's non-IFRS financial measures for the years ended 31 December 2025 and 2024 to the nearest measures prepared in accordance with IFRS:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Reconciliation of profit/(loss) for the year to adjusted profit/(loss) for the year:		
Profit/(loss) for the year	19,918	(544,604)
Add: Fair value losses on financial assets at fair value through profit or loss	30,109	81,400
Add: Fair value losses on financial liabilities at fair value through profit or loss	21,583	26,568
Add: Share-based compensation expenses	6,687	15,569
Add: Impairment of investments in associates accounted for using the equity method	7,345	105,496
Add: Interest expenses on convertible bonds	32,823	50,993
Add: Impairment loss on intangible assets	1,636	9,972
Add: Net impairment losses on financial assets	65,815	185,735
Add: Impairment loss on prepayments	27,534	32,738
Add: Exchange (gains)/losses, net	(12,485)	5,811
Adjusted profit/(loss) for the year	200,965	(30,322)
Reconciliation of profit/(loss) for the year to EBITDA and adjusted EBITDA:		
Profit/(loss) for the year	19,918	(544,604)
Add: Depreciation of property, plant and equipment, investment properties and right-of-use assets	12,478	1,178
Add: Amortization of intangible assets	55,443	59,983
Add: Income tax expense/(credit)	3,181	(29,513)
Add: Interest expenses	75,126	106,035

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
EBITDA	**166,146**	(406,921)
Add: Fair value losses on financial assets at fair value through profit or loss	**30,109**	81,400
Add: Fair value losses on financial liabilities at fair value through profit or loss	**21,583**	26,568
Add: Share-based compensation expenses	**6,687**	15,569
Add: Impairment of investments in associates accounted for using the equity method	**7,345**	105,496
Add: Impairment loss on intangible assets	**1,636**	9,972
Add: Net impairment losses on financial assets	**65,815**	185,735
Add: Impairment loss on prepayments	**27,534**	32,738
Add: Exchange (gains)/losses, net	**(12,485)**	5,811
Adjusted EBITDA	**314,370**	56,368

LIQUIDITY AND FINANCIAL RESOURCES

We adopt a prudent treasury management policy to ensure that our Group maintains a healthy financial position.

The Group's total cash and cash equivalents decreased by 4.6% from approximately RMB196.9 million as of 31 December 2024 to approximately RMB187.9 million as of 31 December 2025. Our cash and cash equivalents are primarily denominated in RMB, HKD and USD.

As of 31 December 2025, the Group's total borrowings amounted to approximately RMB1,015.9 million (2024: approximately RMB1,070.1 million). The nature of the Group's borrowings is summarised as follows:

	As of 31 December	
	2025	2024
	RMB'000	*RMB'000*
Secured bank borrowings	**1,015,887**	1,055,075
Secured other borrowings	**—**	15,000
	1,015,887	1,070,075

The carrying amount of the Group's borrowings is denominated in the following currencies:

	As of 31 December	
	2025	2024
	RMB'000	*RMB'000*
RMB	**1,015,887**	1,070,075

As of 31 December 2025, the Group's current assets were approximately RMB1,386.5 million, while the Group's current liabilities were approximately RMB1,442.8 million. The Group's current ratio (calculated as current assets divided by current liabilities) was 0.96 as of 31 December 2025, as compared to 0.90 as of 31 December 2024.

Debt ratio is calculated based on our total liabilities as at the respective date divided by our total assets as at the same date. As of 31 December 2025, the debt ratio of the Group was 51.4% as compared with 59.5% as of 31 December 2024.

Gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings, convertible bonds, interest payable, lease liabilities less cash and cash equivalents and restricted cash. Total capital is calculated as "equity" as shown in the consolidated statements of financial position. As of 31 December 2025 and 2024, the gearing ratio of the Group was 62.1% and 75.0% respectively.

PLEDGE OF ASSETS

Among the total borrowings of the Group as of 31 December 2025, approximately RMB721.7 million (2024: approximately RMB757.3 million) was secured by certain trade receivables, certain game intellectual properties and deposits, which accounted for approximately 71.0% (2024: approximately 70.8%) of the Group's total borrowings.

CONTINGENT LIABILITIES

As of 31 December 2025, the Group had no unrecorded significant contingent liabilities or guarantees provided by us (2024: nil).

CAPITAL EXPENDITURE

For the year ended 31 December 2025, our total capital expenditure was approximately RMB173.9 million, compared to approximately RMB271.0 million for the year ended 31 December 2024. Our capital expenditure primarily included expenditures for purchase of property, plant and equipment, and intangible assets. We plan to fund our capital expenditures through a combination of operating cash flows, debt financing and equity financing. We may adjust our capital expenditure according to our future development plans or in light of market conditions and other factors that we consider appropriate.

MATERIAL ACQUISITIONS AND DISPOSALS AND SIGNIFICANT INVESTMENTS

For the year ended 31 December 2025, the Group did not have any other material acquisitions, disposals or significant investments.

FOREIGN EXCHANGE RISK MANAGEMENT

The Group operates internationally and is exposed to the foreign exchange risk arising from various currency exposures, primarily RMB, USD, HKD. Therefore, foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not the respective functional currency of our Group's entities. Our Group manages foreign exchange risk by performing regular reviews of our Group's net foreign exchange exposures and tries to minimize these exposures through natural hedges, wherever possible, and may enter into forward foreign exchange contracts, when necessary.

We did not hedge against any fluctuation in foreign currency during the years ended 31 December 2025 and 2024.

DIVIDENDS

The Board has resolved not to recommend the payment of a final dividend for the year ended 31 December 2025 (2024: Nil).

SHARE PLACING AND USE OF PROCEEDS

According to the announcement of the Company dated 15 May 2025, on 15 May 2025, the Company entered into a placing agreement (the "**Placing Agreement**") with SPDB International Capital Limited, pursuant to which the Company has agreed to appoint SPDB International Capital Limited, and SPDB International Capital Limited has agreed to act as the agent of the Company to procure, on a best effort basis, placees for the placing shares at the placing price of HKD0.72 per placing share (the "**Placing**"). The Directors believe that the Placing will enable the Company to secure additional funding at a lower capital cost, thereby enhancing the Group's financial position and providing funds for the business operations of the Group. The Directors believe that broadening the Company's shareholder base and capital base is in the best interests of the Company. As at the date of the Placing Agreement, the closing price of the Company's shares on the HKEX was HKD0.84 per share.

On 23 May 2025, the Company completed the allotment and issue of an aggregate of 100,252,800 ordinary Shares with a par value of USD0.0001 each under general mandate with an aggregate nominal value of USD10,025.28 to not less than six independent placees, each being an investor which is an independent professional institution or other investor. The gross proceeds from the Placing were approximately HKD72.18 million and the net proceeds were approximately HKD70.19 million, representing a net price per ordinary Share of HKD0.70. For details, please refer to the Company's announcements dated 15 May 2025 and 23 May 2025 (the "**Placing Related Announcements**").

As of 31 December 2025, the proceeds from the Placing have been utilised in accordance with the plan set out in the Placing Related Announcements and have been fully exhausted. Specifically, the actual amount expended on the development of the global multi-platform version of Strinova was approximately HKD35.095 million (including approximately HKD28.076 million for R&D personnel emoluments and approximately HKD7.019 million for technical services), and the actual amount expended on the global launch promotion of "Strinova" was approximately HKD35.095 million.

2025 FIRST CAPITALIZATION AND USE OF PROCEEDS

Pursuant to the announcement of the Company dated 28 July 2025, the Company and Shenzhen iDreamSky entered into a capitalization agreement (the "**2025 First Capitalization Agreement**") with PLR Worldwide Sales Limited on 28 July 2025, pursuant to which PLR Worldwide Sales Limited has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue 38,085,937 subscription shares to PLR Worldwide Sales Limited at an issue price of HKD1.024 per subscription share to set off the royalty fees payable by Shenzhen iDreamSky to PLR Worldwide Sales Limited (the "**2025 First Capitalization**"). The Directors are of the view that the 2025 First Capitalization will (i) introduce upstream developers with long-term cooperation as strategic shareholders; (ii) preserve the Group's cash flows to support its future business development; and (iii) strengthen the Group's financial position. On the date of the 2025 First Capitalization Agreement, the closing price of the Company's shares as quoted on the Hong Kong Stock Exchange was HKD1.06 per share.

On 11 August 2025, an aggregate of 38,085,937 ordinary shares with a nominal value of USD0.0001 each have been successfully issued pursuant to the terms and conditions of the 2025 First Capitalization Agreement with an aggregate nominal value of USD3,808.5937. The issue price of the subscription shares under the 2025 First Capitalization Agreement is HKD1.024 per subscription share. The gross proceeds from the 2025 First Capitalization amounted to HKD38,999,999.488, which will not give rise to any cash proceeds as all the proceeds from the 2025 First Capitalization will be used to set off the total amount of USD5,000,000 (approximately equivalent to HKD39,000,000 at the exchange rate of HKD7.80 to USD1.00) royalty fees payable by Shenzhen iDreamSky to PLR Worldwide Sales Limited. For details, please refer to the announcements of the Company dated 28 July 2025 and 11 August 2025.

2025 SECOND CAPITALIZATION AND SUBSCRIPTION AND USE OF PROCEEDS

Pursuant to the announcements of the Company dated 29 September 2025 and 30 September 2025, the Company and Shenzhen iDreamSky entered into a capitalization agreement (the "**2025 Second Capitalization Agreement**") with PLR Worldwide Sales Limited on 29 September 2025, pursuant to which PLR Worldwide Sales Limited has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue 166,440,983 subscription shares to PLR Worldwide Sales Limited at an issue price of HKD1.098 per subscription share to set off the royalty fees payable by Shenzhen iDreamSky to PLR Worldwide Sales Limited (the "**2025 Second Capitalization**"). On the same day, the Company entered into a subscription agreement (the "**Subscription Agreement**") with six subscribers of the Subscription Agreement, among which the strategic shareholders and management of the Company also participated in the Subscription. Each of the Subscription Agreement Subscribers is an independent professional, institutional and other investor. Pursuant to which, each of the Subscription Agreement Subscribers has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue a total of 69,775,600 Subscription Shares to each of the Subscription Agreement Subscribers at the issue price of HKD1.098 per Subscription Share (the "**Subscription**"). The Directors believe that the 2025 Second Capitalization and the Subscription will help (i) strengthen the cooperative relationship with the upstream developer; (ii) preserve the Group's cash flow to support its future business development; and (iii) strengthen the Group's financial position. On the date of entering into the 2025 Second Capitalization Agreement and the Subscription Agreement, the closing price of the Company's shares as quoted on the Hong Kong Stock Exchange was HKD1.05 per share.

On 24 October 2025, an aggregate of 166,440,983 ordinary shares with a nominal value of USD0.0001 each under the 2025 Second Capitalization Agreement and 69,775,600 ordinary shares under the Subscription Agreement were successfully issued pursuant to the terms and conditions of the 2025 Second Capitalization Agreement and the Subscription Agreement, respectively, with an aggregate par value of USD16,644.0983 and USD6,977.56, respectively. The issue price of the Subscription Shares under the 2025 Second Capitalization Agreement and the Subscription Shares under the Subscription Agreement is HKD1.098 per Subscription Share. The gross proceeds from the 2025 Second Capitalization amounted to HKD182,752,199.334, which will not give rise to any cash proceeds as all the proceeds from the 2025 Second Capitalization will be used to set off the royalty fees of Shenzhen iDreamSky to PLR Worldwide Sales Limited in an aggregate amount of USD23,490,000 (equivalent to approximately HKD182,752,200 at the exchange rate of HKD7.78 to USD1.00). The gross proceeds from the Subscription will be approximately HKD76.61 million, of which the estimated net proceeds (after deducting commissions and other estimated expenses payable) will be approximately HKD76.33 million, representing a net available price per ordinary share of approximately HKD1.094. The Company intends to use the net proceeds from the Subscription for the operation and promotion expenses of the game products and general working capital. For details, please refer to the announcements of the Company dated 29 September 2025, 30 September 2025 and 24 October 2025.

As of 31 December 2025, the proceeds from the Subscription have been used in accordance with the plan as set out in the Subscription related announcements and have been fully exhausted, of which the actual amount used for the operation and promotion expenses of the game products was approximately HKD45.798 million (including the promotion expenses of the game products of approximately HKD30.532 million and the operating expenses of the game products of approximately HKD15.266 million) and the actual amount used for general working capital was approximately HKD30.532 million.

The Board is pleased to present its report together with the audited consolidated financial statements of the Company for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. Analysis of the principal activities of the Group is set out in the section "Management Discussion and Analysis".

BUSINESS REVIEW AND OUTLOOK

A review of our business, a discussion and analysis of our performance during the year, the material factors underlying our results and financial position, certain material events occurred during the year, and the future development of our business have been set out in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" on pages 5 to 8 and 9 to 19 of this annual report.

EVENTS AFTER THE REPORTING PERIOD

The events after the reporting period are disclosed in Note 40 to the consolidated financial statements.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group is subject to various PRC laws and regulations in relation to its game publishing operations in the PRC, including, without limitation, in the aspects of value-added telecommunication services, game examination, publishing and operation, virtual currency, real-name registration, anti-addiction system, information security and censorship, and privacy protection.

As far as the Board is aware, during the Reporting Period, the Group has complied with the relevant laws and regulations that have a significant impact on the Group in all material respects.

PRINCIPAL RISKS AND UNCERTAINTIES

We face various risks involved in our daily business operations, including risks that are specific to our game publishing business as well as the industry and regulatory landscape in the PRC. In particular, the commercial launch of our games is subject to specific pre-approval and post-filing requirements as required by the relevant competent regulatory authorities in China, which may change from time to time. For details, please refer to the section headed "Corporate Governance Report — Risk Management and Internal Control" on pages 78 to 81 in this annual report.

Due to the legal restrictions imposed by China on foreign investors to engage in value-added telecommunications services in China, the Group's member companies operate business according to Contractual Arrangements. Therefore the Group is also subject to the risks relating to the Contractual Arrangements. For details, please refer to the "Contractual Arrangements — Risks Relating to the Contractual Arrangements" on page 51 of this section.

ENVIRONMENTAL PERFORMANCE AND POLICIES

The Group is a digital entertainment platform that publishes games through mobile apps and websites. Its business operation involves minimum direct discharge of pollutants or hazardous waste to the environment. However, the Group is committed to minimizing the impact on the environment from our business activities. In particular, the Group adheres to green, low-carbon office concept and encourages its employees to participate in resource conservation during their daily work at the office. Further details are set out in the 2025 Environmental, Social and Governance Report of the Company.

RELATIONSHIP WITH STAKEHOLDERS

We value stakeholders' concerns and opinions on our business performance and progress, and strive to maintain effective communication with our stakeholders, including our shareholders, employees, customers, suppliers, business partners, users, media and the public through a range of communication channels, such as our WeChat official account, official website, results presentation and emails to maintain a close and harmonious relationship with them. The details are set out in the 2025 Environmental, Social and Governance Report of the Company.

RESULTS

The results of the Group for the year ended 31 December 2025 are set out in the consolidated statement of comprehensive income on pages 92 to 93 of this annual report.

FINAL DIVIDENDS

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

FINANCIAL SUMMARY

A summary of the Company's results, assets and liabilities for the last five financial years are set out on page 4 of this annual report. This summary does not form part of the audited consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

Major Customers

For the year ended 31 December 2025, revenue generated from the Group's five largest customers accounted for 22.6% (2024: 7.4%) of the Group's total revenue and our largest customer, accounted for 11.9% (2024: 5.5%) of the Group's total revenue. Tencent was among the Group's top five customers in 2025 and ranked first, and is also one of the major shareholders of the Company.

Major Suppliers

For the year ended 31 December 2025, the Group's five largest suppliers accounted for 45.2% (2024: 70.3%) of the Group's total purchases and our single largest supplier accounted for 16.3% (2024: 28.9%) of the Group's total purchases.

Save as disclosed above, during the year ended 31 December 2025, none of the Directors or any of their close associates or any shareholders who, to the best knowledge of the Directors, held more than 5% interest in issued Shares (excluding treasury shares) had any interest in the Company's five largest customers or suppliers.

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Company as at 31 December 2025 are set out in Note 28 to the consolidated financial statements.

HUMAN RESOURCES

As at 31 December 2025, the Group had 654 employees (2024: 852). The total remuneration expenses, excluding share-based compensation expense, for the year ended 31 December 2025 were RMB157.7 million, representing a decrease of 17.7% as compared to the year ended 31 December 2024. The Group enters into employment contracts with its employees to cover matters such as position, term of employment, wage, employee benefits and liabilities for breaches and grounds for termination.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group for the year ended 31 December 2025 are set out in Note 14 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company for the year ended 31 December 2025 are set out in Note 25 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Group for the year ended 31 December 2025 are set out in Note 26 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

As at 31 December 2025, the Group did not have any distributable reserves (2024: nil).

TAXATION

Tax position of the Group for the year ended 31 December 2025 is set out in Note 12 to the consolidated financial statements.

DIRECTORS

The Directors of the Company during the Reporting Period and as at the date of this annual report are as follows:

Executive Directors

Mr. Chen Xiangyu *(Chairman of the Board and Chief Executive Officer)*
Mr. Guan Song
Mr. Yang Jialiang

Non-executive Directors

Mr. Zhang Han
Mr. Yang Ming

Independent Non-executive Directors

Ms. Yu Bin
Mr. Li Xintian
Mr. Zhang Weining
Mr. Mao Rui

In accordance with the Memorandum and Articles of Association, Mr. Guan Song, Mr. Zhang Han, and Mr. Zhang Weining shall retire by rotation, and are eligible for re-election at their own will at the forthcoming AGM. Details of the Directors to be re-elected at the AGM are set out in the circular to the shareholders.

DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management of the Company are set out on pages 56 to 61 of this annual report.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received an annual confirmation of independence pursuant to the factors as set out in Rule 3.13 of the Listing Rules from each of the independent non-executive Directors, and the Company considers such Directors continue to be independent.

DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

Each of the executive Directors has entered into a service contract with the Company. Pursuant to the contracts, they agreed to act as executive Directors for a term of three years with effect from the date of their appointments or renewal of the service contract (subject always to re-election as and when required under the Memorandum and Articles of Association). Either party has the right to give not less than three months' written notice to terminate the contract.

Each of the non-executive Directors has entered into a service contract with the Company. Their term of office shall commence from the date of their appointments or renewal of the service contract and shall continue for three years (subject always to re-election as and when required under the Memorandum and Articles of Association), until terminated in accordance with the terms and conditions of the service contract or by either party giving to the other not less than one month's written notice.

Each of the independent non-executive Directors has entered into a letter of appointment with the Company. Their term of office shall be three years from the date of their appointments or the renewal of the letter of appointment (subject always to re-election as and when required under the Memorandum and Articles of Association), until terminated in accordance with the terms and conditions of the letter of appointment or by either party giving to the other not less than three months' written notice.

None of the Directors has a service contract or a letter of appointment which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

EMOLUMENT POLICY

The remuneration and appraisal committee of the Company is responsible for reviewing the remuneration policy and structure of the Directors regarding the Company's operating results, Directors' individual performance and comparable market practices. Independent non-executive Directors are not entitled to any equity-linked compensation with performance-related elements and are not permitted to participate in the share award scheme. None of the Directors should be involved in deciding his/her own remuneration.

Details of the Directors' and CEO's remuneration for the year ended 31 December 2025 are set out in Note 10 to the consolidated financial statements.

Remuneration for Senior Management falls within the following range:

	Number	
	Year ended 31 December	
	2025	2024
HKD0 to HKD10,000,000	4	5
Over HKD10,000,000	—	—
	4	5

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

None of the Directors had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Company to which the Company or any of its subsidiaries or fellow subsidiaries was a party during the Reporting Period.

RIGHTS AND INTERESTS OF DIRECTORS ON COMPETING BUSINESSES

Our executive Director, Mr. Chen Xiangyu, is the founder and the largest Shareholder of our Company. Mr. Chen has held interests as a limited partner in certain venture capital funds and/or angel investment funds which may from time to time invest in technology companies, and his economic interest in such funds was insignificant.

Mr. Yang Ming, a non-executive Director, holds directorships in certain companies which are principally or partially engaged in online game services within the consolidated scope of Tencent and participates in the daily management and operation of such companies. In addition to the above, Mr. Yang Ming also holds directorships in certain other companies which are principally or partially engaged in online game services and/or internet community services (not within the consolidated scope of Tencent), but Mr. Yang Ming is not involved in the daily management and operation of such companies.

Notwithstanding the aforesaid interests, having considered that (i) Mr. Yang Ming is a non-executive Director of the Company, the business of the Company is principally operated and managed by the executive Directors and senior management of the Company together, and the Company and the aforesaid companies of which Mr. Yang Ming is a director are independent of each other in respect of the operation and management of the team, (ii) the Board of the Company currently has four independent non-executive Directors in order to strike a balance among the Directors who may have interests and to provide fair and objective advice to safeguard the interests of the Company and the shareholders as a whole, and (iii) Mr. Yang Ming is aware of and has been discharging his fiduciary duties as a director under the Listing Rules and has always acted in the best interests of the Company and the shareholders as a whole, and as such, the Board considers that the Group is capable of carrying on its business fairly and independently of competing businesses.

Save as disclosed above, for the year ended 31 December 2025, none of the Directors or their associates has any competing interests in the businesses which compete or are likely to compete, directly or indirectly, with our Group or would otherwise require disclosure under Rule 8.10 of the Listing Rules.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed for the year ended 31 December 2025.

CHANGE IN INFORMATION IN RESPECT OF DIRECTORS

Save as disclosed in this annual report, there was no change to any of the information required to be disclosed in relation to any Director pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules for the Reporting Period.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2025, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had been notified to the Company and the HKEX pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were recorded in the register required to be kept pursuant to Section 352 of the SFO or as otherwise notified to the Company and the HKEX pursuant to the Model Code were as follows:

(a) Interest in Shares and Underlying Shares

Name of Directors	Capacity/Nature of Interest	Number of Shares held[(5)]	Approximate percentage of interest in the Company[(1)(4)]
Mr. Chen Xiangyu ("**Mr. Chen**")[(2)]	Beneficial owner	29,947,600 (L)	1.45%
	Interest in controlled corporation	239,154,722 (L)	11.58%
Mr. Guan Song ("**Mr. Guan**")[(3)]	Beneficial owner	17,378,000 (L)	0.84%
	Interest in controlled corporation	19,016,020 (L)	0.92%
Mr. Yang Jialiang ("**Mr. Yang**")	Beneficial owner	3,412,000 (L)	0.17%

Notes:

(1) The percentages are calculated on the basis of 2,064,405,665 Shares in issue as at 31 December 2025.

(2) Brilliant Seed Limited is wholly owned by Mr. Chen, who is therefore deemed to be interested in the Shares held by Brilliant Seed Limited.

(3) Bubble Sky Limited is wholly owned by Mr. Guan, who is therefore deemed to be interested in the Shares held by Bubble Sky Limited.

(4) The percentage figures have been subject to rounding adjustments. Accordingly, figures shown in totals may not be an arithmetic aggregation of the figures preceding them.

(5) The letter "L" denotes the person's long position in such Shares.

(b) Interest in Associated Corporation

Name of Director	Associated Corporation	Capacity/Nature of Interest	Number of Shares held	Approximate Percentage of Interest in the Associated Corporation
Mr. Chen	Shenzhen Mengyu Technology Co., Ltd.	Beneficial owner	500,000 (L)	5.00%

Save as disclosed above, as at 31 December 2025, none of the Directors or the chief executives of the Company had or was deemed to have any interest or short position in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be notified to the Company and the HKEX pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or required to be recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the HKEX pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this annual report, at no time during the Reporting Period was the Company or any of its subsidiaries a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of Shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debentures of the Company or any other body corporate or had exercised any such right.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2025, to the best knowledge of the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the shares or underlying shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of Shareholders	Capacity/Nature of Interest	Number of Shares Held(6)	Approximate Percentage of interest in the Company(1)(5)
Brilliant Seed Limited(2)	Beneficial owner	239,154,722 (L)	11.58%
Mr. Chen(2)	Beneficial owner	29,947,600 (L)	1.45%
	Interest in controlled corporation	239,154,722 (L)	11.58%
Tencent Mobility Limited(3)	Beneficial owner	249,141,192 (L)	12.07%
Tencent Holdings Limited(3)	Interest in controlled corporation	249,141,192 (L)	12.07%
PLR Worldwide Sales Ltd.(4)	Beneficial owner	178,885,320 (L)	8.67%
Playrix Holdings Limited(4)	Interest in controlled corporation	178,885,320 (L)	8.67%
Dmitrii Bukhman(4)	Interest in controlled corporation	178,885,320 (L)	8.67%
Igor Bukhman(4)	Interest in controlled corporation	178,885,320 (L)	8.67%

Notes:

(1) The percentages are calculated on the basis of 2,064,405,665 Shares in issue as at 31 December 2025.

(2) Brilliant Seed Limited is wholly owned by Mr. Chen. Under the SFO, Mr. Chen is deemed to be interested in the Shares held by Brilliant Seed Limited.

(3) Tencent Mobility Limited is a wholly owned subsidiary of Tencent Holdings Limited. Under the SFO, Tencent Holdings Limited is deemed to be interested in the Shares held by Tencent Mobility Limited.

(4) PLR Worldwide Sales Ltd. is wholly owned by Playrix Holdings Limited, which is owned as to 48.8% by Dmitrii Bukhman and as to 48.8% by Igor Bukhman. Under the SFO, Playrix Holdings Limited, Dmitrii Bukhman and Igor Bukhman are deemed to be interested in the Shares held by PLR Worldwide Sales Ltd.

(5) The percentage figures have been subject to rounding adjustments. Accordingly, figures shown in totals may not be an arithmetic aggregation of the figures preceding them.

(6) The letter "L" denotes the person's long position in such Shares.

Save as disclosed above, as at 31 December 2025, to the best knowledge of the Directors, none of the other persons (excluding the Directors or chief executives of the Company) had interest or short position in the shares or underlying shares of the Company which were required to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or recorded in the register required to be kept pursuant to Section 336 of the SFO.

SHARE SCHEME

Pre-IPO RSU Scheme

As approved by the Board, the Company adopted a restricted share unit (the "**RSU**") scheme (the "**Pre-IPO RSU Scheme**") on 18 May 2018, and the Board may, at its discretion, grant restricted share units to any participant subject to the terms and conditions of the Pre-IPO RSU Scheme.

Purpose

The purpose of the Pre-IPO RSU Scheme is to reward the Group's employees for their contribution to the Group and to provide incentives to attract the best available personnel to maintain and further promote the success of the Group's business.

Eligible participants and maximum entitlement of each participant

Persons eligible to participate in the Pre-IPO RSU Scheme include but are not limited to full-time employees (including directors) of the Group. The maximum entitlement of each eligible participant is at the sole discretion of the administrator of the Pre-IPO RSU Scheme.

Scheme period and the remaining validity period

The Pre-IPO RSU Scheme shall be valid and effective for a period of ten years commencing from the adoption date, after which no further awards will be granted but the awards granted during the Pre-IPO RSU Scheme shall continue to be valid and exercisable in accordance with the terms of the grant. As of the Latest Practicable Date, the remaining validity period of the Pre-IPO RSU Scheme is more than two years, and the Board has the right to terminate the Pre-IPO RSU Scheme before the expiration of the term.

Maximum number of shares

As at the effective date of the Pre-IPO RSU Scheme, the total number of RSUs available for issue under the Pre-IPO RSU Scheme shall not exceed 8,627,045 (the "**RSU Limit**"), representing a total of 8,627,045 ordinary shares of the Company. On the Listing Date, the total share capital of the Company was increased from 500,000,000 shares to 5,000,000,000 shares and the authorized share capital was increased by ten times (for details, please refer to the Prospectus of the Company and its announcement dated 16 October 2020). As a result, the RSU Limit shall be changed to 86,270,450 shares accordingly, representing a total of 86,270,450 ordinary shares of the Company (representing 4.23% of the issued shares of the Company (excluding treasury shares) as of the Latest Practicable Date).

Vesting period and exercise period

The Pre-IPO RSU Scheme does not define a vesting period and there is no minimum holding period limit. The actual vesting period is based on the terms and conditions agreed with each grantee, normally ranging from 12 months to 48 months from the date of grant.

Consideration upon acceptance

Consideration payable by a Participant upon acceptance of an award granted under the Pre-IPO RSU Scheme and the term of payment shall be determined at the absolute discretion of the administrator of the scheme.

Details of the RSUs granted, vested, cancelled and lapsed by the Group to the employee participants under the Pre-IPO RSU Scheme during the year ended 31 December 2025 are as follows:

	RSUs					
	Not vested as at 1 January 2025	Granted during the year	Vested during the year[(2)]	Cancelled during the year	Lapsed during the year	Not vested as at 31 December 2025
Mr. Yang Jialiang	280,000[(3)]	—	280,000	—	—	—
Five highest paid individuals[(1)]	—	—	—	—	—	—
Other employees	117,238[(4)]	—	26,672	—	90,566	—
Total	**397,238**	**—**	**306,672**	**—**	**90,566**	**—**

Notes:

(1) For the year ended 31 December 2025, the five highest paid individuals included one director, namely Mr. Yang Jialiang, and therefore only the data of RSUs for the remaining four individuals are presented herein.

(2) During the year ended 31 December 2025, there was no purchase consideration for all vested RSUs. The weighted average closing price of the Shares immediately before the vesting of the RSUs was HKD1.10 per Share.

(3) The grant date of the RSUs is 20 February 2023 and the vesting period is 1 August 2025.

(4) The grant date of the RSUs is 1 August 2022 and the vesting period is 1 August 2025.

For details of the accounting policies adopted for the Pre-IPO RSU Scheme and the total expenses thereunder, please refer to Note 2.2(k) and Note 27 to the consolidated financial statements.

2023 Share Incentive Scheme

As approved by the Board, the Company has adopted a 10-year share incentive scheme on 18 May 2023 (the "**2023 Share Incentive Scheme**") which is solely satisfied by existing shares. The Board may accordingly make an offer of options and/or grant RSUs to any eligible participants. Please refer to the announcement of the Company dated 18 May 2023 for the principal terms of the 2023 Share Incentive Scheme.

Purpose

The purposes of the 2023 Share Incentive Scheme are to (i) recognize the contributions by the participants with an opportunity to acquire a proprietary interest in the Company; (ii) encourage and retain such individuals for the continual operation and development of the Group; (iii) provide additional incentives for them to achieve performance goals; (iv) attract suitable personnel for further development of the Group; and (v) motivate the participants to maximize the value of the Group for the benefits of both the participants and the Group, with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the participants directly to the shareholders through ownership of Shares.

Eligible participants and maximum entitlement of each participant

The participants for the 2023 Share Incentive Scheme include any employee (whether full time or part time), executive or officer, director and consultant of any member of the Group, subject to provisions of the Share Incentive Scheme. The maximum number of Shares which may be awarded to any one participant under the 2023 Share Incentive Scheme in any 12-month period may not exceed 1% of the issued Shares as at the scheme adoption date.

Scheme period and the remaining validity period

The 2023 Share Incentive Scheme shall be valid and effective for a period of ten years commencing on the adoption date, after which no awards will be granted, but the provisions of the Share Incentive Scheme shall in all other respects remain in full force and effect and the awards granted during the term of the Share Incentive Scheme may continue to be valid, vested and exercisable in accordance with their respective terms of grant. As of the Latest Practicable Date, the remaining validity period of the 2023 Share Incentive Scheme exceeds seven years, and the Board has the right to terminate the scheme before the expiry of the scheme term.

Maximum number of shares

The total number of Shares subject to the exercise of all options and/or RSUs granted under the 2023 Share Incentive Scheme shall not in aggregate exceed 28,207,966 Shares, representing 1.38% of the total issued share capital of the Company (excluding treasury shares) as of the Latest Practicable Date. The options and/or RSUs granted under the 2023 Share Incentive Scheme are only satisfied with existing Shares and do not involve the issue of new Shares.

Vesting period and exercise period

The Board will determine the vesting period in accordance with the terms of the 2023 Share Incentive Scheme, the specific terms and conditions applicable to each option and award, but in any event shall not be less than 12 months. In addition, all options will automatically lapse and expire no later than the last day of the ten-year period after the date of grant. Unless the options have been withdrawn and cancelled or forfeited in whole or in part and subject to the provisions of the Share Incentive Scheme, the grantee may exercise his/her rights under the Share Incentive Scheme in accordance with the vesting schedule as set out in the relevant grant letter.

Amount payable upon acceptance and subscription price

On and subject to the terms of the 2023 Share Incentive Scheme, the Board has the discretion to make an offer of options to the eligible participants by way of a grant letter. The grantee who receives an offer of an option must pay RMB1.00 to the Company within the period specified in the relevant offer to accept the offer of an option, which payment shall not be refundable and shall not be deemed to be a partial payment of the subscription price. The subscription price and the payment term of the option shall be determined by the Board in its absolute discretion and in any event shall not be less than the market purchase price on or before the date of grant.

On and subject to the terms of the 2023 Share Incentive Scheme, the Board shall be entitled at any time during the term of the Share Incentive Scheme to grant RSUs to any participant as the Board may in its absolute discretion determine. The consideration (if any) payable by a selected participant to the Company for the acceptance of the RSUs under the 2023 Share Incentive Scheme and the payment terms shall be determined by the Board at its absolute discretion.

Details of grant

As at 1 January 2025 and 31 December 2025, the number of shares available for future grants under the 2023 Share Incentive Scheme was 28,207,966 (excluding shares from lapsed or cancelled awards under the Scheme). The Company did not grant any options or RSUs under the 2023 Share Incentive Scheme during the year ended 31 December 2025.

No RSUs were granted or vested to any Director under the 2023 Share Incentive Scheme during the year ended 31 December 2025. For details of the accounting policies adopted for the 2023 Share Incentive Scheme, please refer to Note 27 to the consolidated financial statements.

2023 New Share Option Scheme

The Company adopted a 10-year share option scheme (the "**2023 New Share Option Scheme**") by an ordinary resolution at the annual general meeting of the Company dated 30 June 2023. The Board may accordingly grant options to any employee (whether full-time or part-time), executive or officer and director of any member of the Group under the 2023 New Share Option Scheme. Please refer to the circular of the Company dated 8 June 2023 for a summary of the principal terms of the 2023 New Share Option Scheme.

Purpose

The purposes of the 2023 New Share Option Scheme are to (i) recognize the contributions by the participants and give them an opportunity to acquire a proprietary interest in the Company; (ii) continue to encourage and retain such individuals for the continual operation and development of the Group; (iii) provide additional awards for them to achieve performance goals; (iv) attract suitable personnel for further development of the Group; and (v) motivate the participants to maximize the value of the Group for the benefits of both the participants and the Group, with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the participants directly to the shareholders through ownership of Shares.

Eligible participants and maximum entitlement of each participant

Eligible participants include any employee (whether full time or part time), executive or officer and Directors (excluding independent non-executive Directors) of any subsidiary of the Group, subject to the terms of the 2023 New Share Option Scheme. No option may be granted to any eligible participant if the exercise in full of the option would result in the total number of Shares issued and to be issued under all options granted or to be granted to any eligible participant under the 2023 New Share Option Scheme, options in respect of new Shares and awards in respect of new Shares (including options exercised, cancelled and outstanding) exceeding, in aggregate, 1% of the issued share capital of the Company during the 12-month period ending on the date of grant of the relevant new grant (including the date).

Scheme period and the remaining validity period

The 2023 New Share Option Scheme shall be valid and effective for a period of ten years commencing on the adoption date, after which period no further options will be granted but the options which have been granted during the term of the 2023 New Share Option Scheme shall continue to be valid and exercisable in accordance with their terms of grant. As of the Latest Practicable Date, the remaining validity period of the 2023 New Share Option Scheme exceeds seven years, and the Board has the right to terminate the scheme before the expiry of the scheme term.

Maximum number of shares

The total number of Shares which may be issued upon exercise of all options to be granted under the 2023 New Share Option Scheme shall not in aggregate exceed 56,415,933 Shares, representing 2.76% of the total issued share capital of the Company (excluding treasury shares) as of the Latest Practicable Date.

Vesting period and exercise period

The vesting period shall be determined at the discretion of the Board or the Chairman, but in any event the vesting period shall not be less than 12 months or such period as may be required or permitted under the Listing Rules.

The Board may specify in the grant letter the exercise period of the options and in all cases, all options shall expire and automatically lapse not later than the last day of the ten-year period after the date of grant. Unless the options have been withdrawn and cancelled or forfeited in whole or in part, subject to the terms of the 2023 New Share Option Scheme, the grantee may exercise his/her rights under the 2023 New Share Option Scheme in accordance with the vesting schedule as set out in the relevant grant letter.

Amount payable upon acceptance and exercise price

On and subject to the terms of the Listing Rules and the 2023 New Share Option Scheme, the Board shall be entitled at its discretion to make an offer of an option to an eligible participant by letter in such form as the Board may from time to time determine. The grantee who receives an offer of an option must pay RMB1.00 to the Company within the period specified in the relevant offer to accept the offer of an option, which payment shall not be refundable and shall not be deemed to be a partial payment of the exercise price.

The exercise price shall be such price as determined by the Board and notified to any grantee (subject to any adjustments made pursuant to the 2023 New Share Option Scheme) and shall not be less than the higher of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; (ii) an amount equivalent to the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of grant; and (iii) the nominal value of a Share on the date of grant, provided that in the event of fractional prices, the exercise price per Share shall be rounded upwards to the nearest whole cent.

Details of grant

Details of the share options granted, exercised, cancelled and lapsed by the Group to the eligible participants under the 2023 New Share Option Scheme during the year ended 31 December 2025 are as follows:

	Options
As at 1 January 2025	**29,789,900**
Granted during the year(1)	35,093,500
Exercised during the year	—
Cancelled during the year	—
Lapsed during the year	22,844,928
As at 31 December 2025	**42,038,472**

(1) As at 28 July 2025, the Company granted a total of 500,000 share options to one employee (non-director) pursuant to the 2023 New Share Option Scheme. Due to adjustments in the Company's management arrangements, the Company cancelled the grant of such 500,000 share options to the grantee as at 6 August 2025. For details, please refer to the announcements of the Company dated 28 July 2025 and 6 August 2025.

As at 1 January 2025, the Group had 29,789,900 unexercised share options granted under the 2023 New Share Option Scheme, with details as follows:

Name of grantee or category of grantee	Date of grant	Number of outstanding share options	Vesting date	Exercise Period [1]	Exercise price *HKD*
Mr. Jeffrey Lyndon Ko [2]	25 January 2024	400,000	15 April 2025	10 years	1.592
Mr. Guan Song	25 January 2024	400,000	15 April 2025	10 years	1.592
Mr. Yang Jialiang	28 July 2023	212,000	28 July 2024	10 years	3.780
	25 January 2024	500,000	15 April 2025	10 years	1.592
Other employee participants [3]	28 July 2023	1,618,000	28 July 2024	10 years	3.780
	28 July 2023	1,550,000	28 July 2024	10 years	4.920
	28 July 2023	800,000	To be vested within 3 years from the date of grant, but not be less than 12 months from the date of grant	10 years	3.580
	28 July 2023	700,000	To be vested within 4 years from the date of grant, but not be less than 12 months from the date of grant	10 years	3.580
	25 January 2024	14,651,400	15 April 2025	10 years	1.592
	25 January 2024	380,000	To be vested within 3 years from 2025 to 2027, but not be less than 12 months from the date of grant	10 years	1.592

Name of grantee or category of grantee	Date of grant	Number of outstanding share options	Vesting date	Exercise Period [1]	Exercise price HKD
	6 June 2024	8,278,500	As at 6 June 2025 and 6 June 2026, being vested with attribution ratios of 50% and 50% respectively	10 years	3.010
	12 September 2024	300,000	To be vested within 2 years from the date of grant, but not be less than 12 months from the date of grant	10 years	2.040
Total		**29,789,900**			

Note:

(1) The exercise period is counted from the date of grant.

(2) On 27 March 2025, Mr. Jeffrey Lyndon Ko has resigned as a Director of the Company due to work reallocation, with a view to concentrating on handling overseas business matters of the Group.

(3) Save as disclosed above, (i) no options were granted under the 2023 New Share Option Scheme to any Directors, chief executives or substantial shareholders or their associates (as defined in the Listing Rules); (ii) none of the grantees has been granted options and awards under the 2023 New Share Option Scheme beyond the 1% individual limit; and (iii) no options were granted to related entity participants (as defined in the Listing Rules) and service providers under the 2023 New Share Option Scheme.

Details of the share options granted by the Group to other Directors under the 2023 New Share Option Scheme during the year ended 31 December 2025 are as follows:

Name of director	Date of grant	Number of options granted *(shares)*	Vesting date	Exercise period [(1)]	Exercise price *HKD*	Performance target *Yes/No*
Mr. Chen Xiangyu	27 May 2025	2,000,000	27 May 2026	10 years	1.000	Yes[(3)]
Mr. Guan Song	27 May 2025	2,000,000	Indefinite[(4)]	10 years	0.748	Yes[(4)]
Mr. Yang Jialiang	27 May 2025	2,000,000	Indefinite[(4)]	10 years	0.748	Yes[(4)]

Notes:

(1) The exercise period is counted from the date of grant.

(2) The closing price of the Shares immediately before the date of such grant was HKD0.770 and the closing price of the Shares on the date of grant was HKD0.730.

(3) Upon the expiration of the vesting period (i.e. 27 May 2026), the average share price for any 15 consecutive business days reaches or exceeds HKD2.000.

(4) Vesting conditions for the first tranche: upon the expiration of the vesting period (i.e. 27 May 2026), 30% of the share options as the first tranche will be vested when the cumulative operating profit is positive for 12 consecutive months commencing from 1 January 2025; Vesting conditions for the second tranche: if the adjusted net profit target of the Company in the year when the first tranche is vested is achieved, the second tranche (30%) will vest on the first business day of the next month following the publishment of the announcement of the annual results for that financial year; Vesting conditions for the third tranche: if the adjusted net profit target of the Company in the year when the second tranche is vested is achieved, the third tranche (40%) will vest on the first business day of the next month following the publishment of the announcement of the annual results for that financial year.

Details of the share options granted by the Group to other employee participants under the 2023 New Share Option Scheme during the year ended 31 December 2025 are as follows:

Date of grant	Number of options granted *(shares)*	Vesting date/period	Exercise period[1]	Exercise price *HKD*	Performance target *Yes/No*
23 January 2025	6,245,000	15 April 2026	10 years	1.654[2]	Yes[3]
27 May 2025	11,000,000	Indefinite[4]	10 years	0.748[5]	Yes[4]
3 September 2025	900,000	Indefinite[6]	10 years	1.152[7]	Yes[8]
7 November 2025	10,948,500	Indefinite[9]	10 years	0.808[10]	Yes[11]

Note:

(1) The exercise period is counted from the date of grant.

(2) The closing price of the Shares immediately before the date of such grant was HKD1.610 and the closing price of the Shares on the date of grant was HKD1.560.

(3) Each 12-month period from the grant dates is an assessment period. Two performance appraisals will be conducted during each assessment period and the results of each performance appraisal will be included in the annual consolidated performance score. The vesting percentage of the grantee's share options is adjusted based on his/her annual consolidated performance score.

(4) Among the 8 awarded employees:

(a) 6 of them: Vesting conditions for the first tranche: upon the expiration of the vesting period (i.e. 27 May 2026), 30% of the share options as the first tranche will be vested when the cumulative operating profit is positive for 12 consecutive months commencing from 1 January 2025. Vesting conditions for the second tranche: if the adjusted net profit target of the Company in the year when the first tranche is vested is achieved, the second tranche (30%) will vest on the first business day of the next month following the publishment of the announcement of the annual results for that financial year. Vesting conditions for the third tranche: if the adjusted net profit target of the Company in the year when the second tranche is vested is achieved, the third tranche (40%) will vest on the first business day of the next month following the publishment of the announcement of the annual results for that financial year.

(b) 2 of them: It is allocated in three tranches, with attribution ratios of 30%, 30% and 40%, respectively. Upon the expiration of the vesting period (i.e. 27 May 2026), when the cumulative operating profit is positive for 12 consecutive months commencing from 1 January 2025, then the number to be vested is determined based on the achievement of the current year's running profit targets for the business for which the person in charge is responsible. If the adjusted net profit target of the Company in the year when the first tranche is vested is achieved, then the number to be vested is determined based on the achievement of the current year's running profit targets for the business for which the person in charge is responsible. The second tranche will be vested on the first business day of the next month following the publishment of the announcement of the annual results for that financial year. If the adjusted net profit target of the Company in the year when the second tranche is vested is achieved, then the number to be vested is determined based on the achievement of the current year's running profit targets for the business for which the person in charge is responsible. The third tranche will be vested on the first business day of the next month following the publishment of the announcement of the annual results for that financial year.

(5) The closing price of the Shares immediately before the date of such grant was HKD0.770 and the closing price of the Shares on the date of grant was HKD0.730.

(6) To be vested within 2 years from the date of grant, shall be not less than 12 months from the date of grant.

(7) The closing price of the Shares immediately before the date of such grant was HKD1.090 and the closing price of the Shares on the date of grant was HKD1.090.

(8) Each 12-month period commencing from the date of grant will be an assessment period. The vesting percentage of the Grantee's Share Options is adjusted based on his/her annual consolidated performance score. Performance targets are related to the position and role of the Grantee in the Group, and the Grantee is examined from multiple dimensions such as finance, business (non-financial), and/or operations and creation of capital value for the Group's business segments. The assessment will be based on the individual's overall performance, performance of the team or department that the Grantee belongs to and the performance of the Group as a whole.

(9) The specific vesting date shall be no earlier than the date 12 months after the grant date of the Share Options, and shall be determined based on the achievement of performance targets.

(10) The closing price of the Shares immediately before the date of such grant was HKD0.790 and the closing price of the Shares on the date of grant was HKD0.760.

(11) of which 3,880,000 have no performance targets and will vest 12 months after the grant date; of which 2,100,000 shares shall vest in two installments, with one-half vesting each time. Specifically, each 12-month period from the grant date shall be an assessment period, totaling 2 assessment periods. The vesting percentage of the share options for the grantee in each assessment period shall be adjusted based on their annual consolidated performance score; of which 4,068,500 shares shall vest in two installments: the first installment has no performance targets and will vest 12 months after the grant date, and the second installment shall be determined based on the performance appraisal results during the period when 24 months have elapsed from the grant date; and of which 900,000 shares shall vest in three installments, with one-third vesting each time. Specifically, each 12-month period from the grant date shall be an assessment period, totaling 3 assessment periods. The vesting percentage of the share options for the grantee in each assessment period shall be adjusted based on their annual consolidated performance score.

Save as disclosed in this section, during the year ended 31 December 2025, (i) no options were granted under the 2023 New Share Option Scheme to any Directors, chief executives or substantial shareholders or their associates (as defined in the Listing Rules); (ii) none of the grantees has been granted options and awards under the 2023 New Share Option Scheme beyond the 1% individual limit; and (iii) no options were granted to related entity participants (as defined in the Listing Rules) and service providers under the 2023 New Share Option Scheme.

During the year ended 31 December 2025, the number of granted share options was 35,093,500 and the number of the lapsed share options was 22,844,928. On top of that, during the year ended 31 December 2025, there were no exercised, cancelled and lapsed share options.

As at 31 December 2025, the Group had 42,038,472 unexercised share options granted under the 2023 New Share Option Scheme, with details as follows:

Name of grantee or category of grantee	Date of grant	Number of options outstanding *(shares)*	Vesting date/period	Exercise Period [1]	Exercise price *HKD*
Mr. Chen Xiangyu	27 May 2025	2,000,000	27 May 2026	10 years	1
Mr. Guan Song	25 January 2024	400,000	15 April 2025	10 years	1.592
	27 May 2025	2,000,000	Vesting Condition 1: Upon the expiration of the vesting period (i.e., May 27, 2026), 30% of the share options will vest if the Company's cumulative operating profit remains positive for 12 consecutive months starting from January 1, 2025; Second Vesting Condition: If the Company's adjusted net profit target for the year of the first vesting is met, the second tranche (30%) will vest on the first business day of the month following the announcement of the financial results for that fiscal year; Third Vesting Condition: If the Company's adjusted net profit target for the year of the second vesting is met, the third tranche (40%) will vest on the first business day of the month following the announcement of the financial results for that fiscal year.	10 years	0.748
Mr. Yang Jialiang	25 January 2024	500,000	15 April 2025	10 years	1.592
	27 May 2025	2,000,000	Vesting Condition 1: Upon the expiration of the vesting period (i.e., May 27, 2026), 30% of the share options will vest if the Company's cumulative operating profit remains positive for 12 consecutive months starting from January 1, 2025; Second Vesting Condition: If the Company's adjusted net profit target for the year of the first vesting is met, the second tranche (30%) will vest on the first business day of the month following the announcement of the financial results for that fiscal year; Third Vesting Condition: If the Company's adjusted net profit target for the year of the second vesting is met, the third tranche (40%) will vest on the first business day of the month following the announcement of the financial results for that fiscal year.	10 years	0.748

Name of grantee or category of grantee	Date of grant	Number of options outstanding (*shares*)	Vesting date/period	Exercise Period [(1)]	Exercise price *HKD*
Other employee participants	28 July 2023	210,000	1 August 2024	10 years	3.58
	25 January 2024	6,834,972	15 April 2025	10 years	1.592
	6 June 2024	155,000	6 June 2025	10 years	3.01
	23 January 2025	5,130,000	15 April 2026	10 years	1.654
	27 May 2025	11,000,000	Indefinite[(2)]	10 years	0.748
	3 September 2025	900,000	To be vested with in 2 years from the date of grant, but not be less than 12 months from the date of grant.	10 years	1.152
	7 November 2025	10,908,500	The specific vesting date shall be no earlier than the date 12 months after the grant date of the Share Options, and shall be determined based on the achievement of performance targets.	10 years	0.808
Total		**42,038,472**			

Note:

(1) The exercise period is counted from the date of grant.

(2) Of the eight grantees:

(a) For six of them: First vesting condition: Upon the expiration of the vesting period (i.e., May 27, 2026), if the cumulative operating profit remains positive for 12 consecutive months starting from January 1, 2025, the first tranche (30%) will vest; Second vesting condition: If the Company's adjusted net profit target for the year of the first vesting is met, the second tranche (30%) will vest on the first business day of the month following the announcement of the financial results for that fiscal year; Conditions for the third vesting: If the Company's adjusted net profit target for the year of the second vesting is met, the third tranche (40%) will vest on the first business day of the month following the announcement of the financial results for that fiscal year.

(b) For two of them: Vesting will occur in three installments, with vesting ratios of 30%, 30%, and 40%. Upon the expiration of the vesting period (i.e., May 27, 2026), if the cumulative operating profit for the 12 consecutive months starting from January 1, 2025, is positive, the vesting amount will be determined based on the achievement of the annual running profit target for the business unit under their responsibility; if the Company's adjusted net profit target for the year of the first vesting is met, the vesting amount will be further determined based on the achievement of the annual running profit target for the business unit under their responsibility. The second tranche will vest on the first business day of the month following the announcement of the financial results for that fiscal year; if the Company's adjusted net profit target for the year of the second vesting is met, the vesting amount will be determined based on the achievement of the annual running profit target for the business unit under the employee's responsibility. The third tranche will vest on the first business day of the month following the announcement of the financial results for that fiscal year.

Please refer to Note 2.2(k) to the consolidated financial statements for details of the accounting standard policy adopted for the 2023 New Share Option Scheme and the fair value of the share option as of the date of grant.

As at 1 January 2025, the number of options available for grant under the Company's share option scheme was 26,626,033 shares. As at 31 December 2025, the number of options available for grant under the Company's share option scheme was 14,377,461 shares. During the year ended 31 December 2025, the number of shares that may be issued upon the exercise of the share options and awards granted under all the schemes of the Company was 35,093,500 shares, dividing by the weighted average number of the shares issued during the year (excluding treasury shares) is 1.92%.

EQUITY-LINKED AGREEMENTS

Save as the 2023 New Share Option Scheme described in the previous section and the section headed "Management Discussion and Analysis — Securities Issuance and Use of Proceeds" in pages 17 to 19 of this annual report, during the Reporting Period, the Company did not enter into or have any equity-linked agreements, and there were no provisions that would or might result in the issue of shares by the Company.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

As the Board considered that the dealing prices of the Company's shares at the time did not reflect their intrinsic value, and the share repurchase plan could reflect the Board's confidence in the Company's long-term development prospects and growth potential as well. During the Reporting Period, the total number of shares repurchased by the Company on the HKEX were 20,856,800 (all shares are held as treasury shares), at a total consideration (before deduction of expenses) of HKD35,791,300.

During the Reporting Period, the Company's monthly report on share repurchase is set out as below:

Month	Number of Shares repurchased	Highest purchase price per Share	Lowest purchase price per Share	Total consideration (before deduction of expenses)
		HKD	*HKD*	*HKD*
January 2025	20,856,800	1.89	1.54	35,791,300
Total	**20,856,800**			**35,791,300**

As of 31 December 2025, the Company held a total of 23,390,000 treasury shares. The Company will subsequently hold, sell or transfer treasury shares as required, or for other uses in compliance with requirements of the Listing Rules.

Save as disclosed above, the Group had not purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) for the year ended 31 December 2025.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Memorandum and Articles of Association or the laws of the Cayman Islands that would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

NON-COMPETITION UNDERTAKING

Mr. Chen Xiangyu has executed a power of attorney (the "**Power of Attorney**") on 10 May 2018, under which Mr. Chen has undertaken that, without the prior written consent of the WFOE, he will not use any information obtained from Shenzhen iDreamSky to engage in any business which competes or potentially competes with Shenzhen iDreamSky or its affiliates. The Company has received an annual confirmation from Mr. Chen Xiangyu that he has complied with the non-competition undertaking from the date of signing the Power of Attorney to 31 December 2025 for disclosure in this annual report. For details on non-competition undertaking, please refer to the section headed "Relationship with our Single Largest Shareholder" in the Prospectus.

The independent non-executive Directors have reviewed the performance of the non-competition undertaking from the date of the Power of Attorney to 31 December 2025 based on the information provided and/or confirmed by Mr. Chen, and are satisfied that Mr. Chen has complied with the non-competition undertaking.

CONNECTED TRANSACTIONS

During the Reporting Period, the Company had no connected transactions which are not exempt under Rule 14A of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

Tencent is one of the substantial shareholders of the Company and holds shares in the Company through its wholly-owned subsidiary. Tencent Computer and Tencent Technology are subsidiaries of Tencent. The Group has entered into a number of continuing connected transaction agreements with Tencent Group in respect of business.

Summary of the Continuing Connected Transaction Agreement

As at the date of this report, the following transactions of our Group constitute the continuing connected transactions of the Company for the year ended 31 December 2025.

2024 Advertising Cooperation Framework Agreement

On 10 November 2023, Shenzhen iDreamSky entered into the 2024 Advertising Cooperation Framework Agreement with Tencent Computer (the "**2024 Advertising Cooperation Framework Agreement**"), pursuant to which Shenzhen iDreamSky and Tencent Computer agreed to conduct cooperation in respect of, inter alia, the following: (a) Shenzhen iDreamSky to provide advertising of products or services to Tencent Computer and/or its associates through the platform operated or participated by Shenzhen iDreamSky in exchange for the service fees payable by Tencent Computer to the Group; and (b) acting as an intermediary to link the user traffic of third parties with the advertising services provided by Tencent Group. Our Group will conduct collective negotiations with Tencent Group in respect of the advertising services offered by Tencent Group in exchange for the service fees payable by relevant third parties to the Group.

The 2024 Advertising Cooperation Framework Agreement also provided for the proposed annual caps for the advertising service fees payable by Tencent Group to the Group for the three years ending 31 December 2026. For the proposed annual caps and the actual transaction amounts for the year ended 31 December 2025, please refer to page 46 of this section.

(a) Reasons for the Transactions

The Company believes, according to the 2024 Advertising Cooperation Framework Agreement, that the cooperation with Tencent Group will enable both parties to fully leverage on each other's competitive advantages and further promote the growth of the Group's advertising service business.

(b) Listing Rules Implications

Tencent Computer is a subsidiary of Tencent Group, a substantial shareholder of the Company, and thus a connected person of the Company. As the highest applicable percentage ratio (defined as Rule 14.07 of the Listing Rules) for the annual caps for the proposed advertising transactions under the 2024 Advertising Cooperation Framework Agreement exceeds 0.1% but is below 5% on an annual basis, the proposed transactions under the 2024 Advertising Cooperation Framework Agreement shall be subject to the reporting, announcement, and annual review requirements under Chapter 14A of the Listing Rules, but be exempt from the independent shareholder approval requirement.

For further details, please refer to the Company's announcement on 10 November 2023.

2024 Payment Service Framework Agreement

On 10 November 2023, Shenzhen iDreamSky entered into the 2024 Payment Service Framework Agreement with Tencent Computer (the "**2024 Payment Service Framework Agreement**"). Pursuant to which, Tencent Computer agreed to provide payment services to the Group through the payment channels of Tencent Group for the purpose of enabling the Group's users to conduct online transactions. In exchange for the payment services provided, the Group shall pay a payment service fee to Tencent Group.

The 2024 Payment Service Framework Agreement also provided for the proposed annual caps for the payment service fee payable by the Group to Tencent Group for the three years ending 31 December 2026. For the proposed annual caps and the actual transaction amounts for the year ended 31 December 2025, please refer to the "Review of the Annual Caps for the Continuing Connected Transactions" on page 46 of this section.

(a) *Reasons for the Transactions*

The Company considers that the leading position of Tencent Group in the PRC online payment service industry and our users' profile where many of our users are existing users of Tencent Group's online payment services, the 2024 Payment Service Framework Agreement would enable the Group to provide our users access to payment channels of Tencent Group and thus enhance our users' satisfactions with the Group's services.

(b) *Listing Rules Implications*

Tencent Computer is a subsidiary of Tencent Group, a substantial shareholder of the Company, and thus a connected person of the Company. As the highest applicable percentage ratio (defined as Rule 14.07 of the Listing Rules) for the annual caps for the proposed payment service transactions under the 2024 Payment Service Framework Agreement exceeds 0.1% but is below 5% on an annual basis, the proposed transactions under the 2024 Payment Service Framework Agreement shall be subject to the reporting, announcement, and annual review requirements under Chapter 14A of the Listing Rules, but be exempt from the independent shareholder approval requirement.

For further details, please refer to the Company's announcement on 10 November 2023.

2024 Products and Services Purchasing Framework Agreement

On 10 November 2023, Shenzhen iDreamSky entered into the 2024 Products and Services Purchasing Framework Agreement with Tencent Computer (the "**2024 Products and Services Purchasing Framework Agreement**"). Pursuant to which, Tencent Computer (or through its designated company) agreed to provide comprehensive services and products to our Group, including but not limited to the following technical products and services: (i) cloud services, cloud storage, cloud services related technical support; and (ii) SMS channel service, CDN network acceleration service, domain name resolution acceleration service.

The 2024 Products and Services Purchasing Framework Agreement also provided for the proposed annual caps for the procurement fees payable by the Group to Tencent Group for the three years ending 31 December 2026. For the proposed annual caps and the actual transaction amounts for the year ended 31 December 2025, please refer to the "Review of the Annual Caps for the Continuing Connected Transactions" on page 46 of this section.

(a) *Reasons for the Transactions*

Tencent is a leading provider of Internet value added service in the PRC, and offers a wide range of high-quality products and services. The Group has migrated the majority of our servers and computing infrastructure to Tencent Cloud and the Group became one of the few game publishers in China fully integrating cloud technology into game infrastructure. The Directors believe that the procurement of high quality services and products from Tencent, especially technological products and services, will provide us with the necessary technologies to further develop our business, and the Company can leverage on the wide spectrum of products and services offered by Tencent to reduce unnecessary costs in reconciling and integrating the differences between different systems.

In addition, the Group also purchases virtual products and peripheral gaming products from Tencent Group as part of our digital entertainment offering for our users in our marketing events, taking into account the popularity of those virtual and physical gaming products among our users.

(b) *Listing Rules Implications*

Tencent Computer is a subsidiary of Tencent Group, a substantial shareholder of the Company, and thus a connected person of the Company. As the highest applicable percentage ratio (defined as Rule 14.07 of the Listing Rules) for the annual caps for the proposed purchasing transactions under the 2024 Products and Services Purchasing Framework Agreement exceeds 0.1% but is below 5% on an annual basis, the proposed transactions under the 2024 Products and Services Purchasing Framework Agreement shall be subject to the reporting, announcement, and annual review requirements under Chapter 14A of the Listing Rules, but be exempt from the independent shareholder approval requirement.

For further details, please refer to the Company's announcement on 10 November 2023.

2024 Game Cooperation Framework Agreement

On 10 November 2023, Shenzhen iDreamSky entered into the 2024 Game Cooperation Framework Agreement with Tencent Computer (the "**2024 Game Cooperation Framework Agreement**"), pursuant to which, our Group and Tencent Group agreed to (i) license the games of our Group for the distribution and operations on the platforms of Tencent Group; and (ii) license the games of Tencent Group for the distribution and operations on our platforms. The specific methods, scope, subjects, commission rate, applicable payment channels of the relevant cooperation and other details of the arrangement shall be agreed between the relevant parties separately.

The 2024 Game Cooperation Framework Agreement also provided for the proposed annual caps for the distribution fee and license fee payable by the Group to Tencent Group and the license fee payable by Tencent Group to the Group in the form of revenue sharing under the 2024 Game Cooperation Framework Agreement for the three years ending 31 December 2026. For the proposed annual caps and the actual transaction amounts for the year ended 31 December 2025, please refer to the "Review of the Annual Caps for the Continuing Connected Transactions" on page 46 of this section.

(a) *Reasons for the Transactions*

Tencent Group owns a large amount of top-rated game products and game platforms, and our Group has been dedicated to the production and operation of popular games. It is expected that Tencent Group and our Group could leverage on each other's competitive advantages in products and platforms and the game development capabilities to improve the popularity of games owned by each other and increase the number of platform users.

(b) *Listing Rules Implications*

Tencent Computer is a subsidiary of Tencent Group, a substantial shareholder of the Company, and thus a connected person of the Company. As the highest applicable percentage ratio (defined as Rule 14.07 of the Listing Rules) for the annual caps for the proposed distribution transactions under the 2024 Game Cooperation Framework Agreement exceeds 5% on an annual basis, the proposed transactions under the 2024 Game Cooperation Framework Agreement shall be subject to the reporting, announcement, annual review and independent shareholder approval requirements under Chapter 14A of the Listing Rules.

For further details, please refer to the Company's announcement dated 10 November 2023 and circular dated 11 December 2023.

Review of the Annual Caps for the Continuing Connected Transactions

A summary of the proposed annual caps and the actual transaction amounts of the above continuing connected transactions for the year ended 31 December 2025 is set out as follows:

Continuing Connected Transactions	**Proposed Annual Cap for 2025** *RMB'000*	**Actual Transaction Amount in 2025** *RMB'000*
2024 Advertising Cooperation Framework Agreement (Revenue-based)		
Advertising service fee payable by Tencent Group to our Group	9,883	7,745
2024 Payment Service Framework Agreement (Expense-based)		
Payment service fee payable by our Group to Tencent Group	4,680	1,030
2024 Products and Services Purchasing Framework Agreement (Expense-based)		
Purchasing service fee payable by our Group to Tencent Group	42,200	36,993
2024 Game Cooperation Framework Agreement		
Distribution fee and licensing fee payable by our Group to Tencent Group (Expense-based)	65,760	10,919
Licensing fee payable by Tencent Group to our Group in the form of revenue sharing (Revenue-based)	354,900	152,002

Annual Review by our Independent Non-Executive Directors and Auditor

For the year ended 31 December 2025, the independent non-executive Directors have reviewed the aforesaid continuing connected transactions and confirmed that the transactions have been entered into:

1. in the ordinary and usual course of business of the Company;

2. on normal commercial terms or better; and

3. in accordance with relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders as a whole.

For the year ended 31 December 2025, the Auditor of the Company has issued its unqualified letter containing its findings and conclusions in respect of the continuing connected transactions of the Group in accordance with Practice Note 740 and Rule 14A.56 of the Listing Rules, an extract of which is as follows:

1. the transactions have been approved by the Board;

2. the transactions were, in all material respects, in accordance with the pricing policies of the Company;

3. the transactions were entered into in accordance with the relevant agreements governing the transactions; and

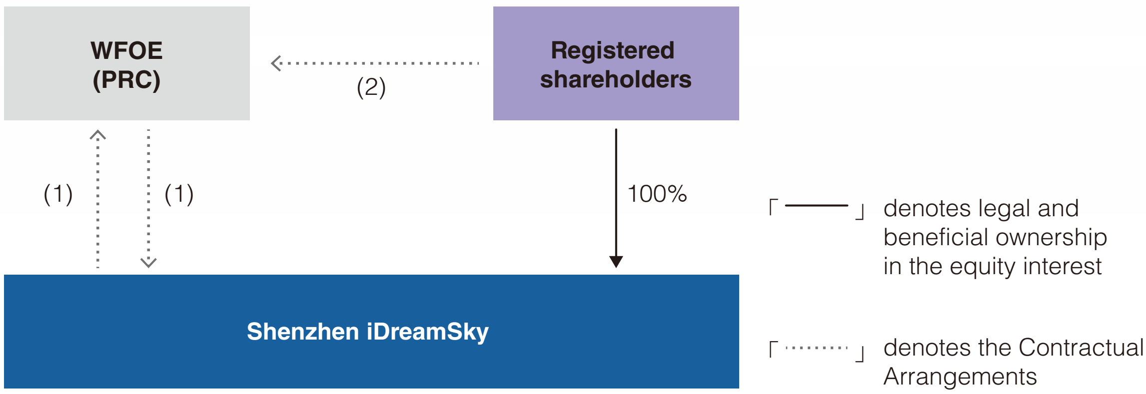
4. the aggregate amounts of the transactions have not exceeded the relevant caps.

Details of the related party transactions carried out in the normal course of business are set out in Note 37 to the consolidated financial statements. Save as disclosed above, none of these related party transactions constitutes a connected transaction or continuing connected transaction as defined under the Listing Rules, and the Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules.

CONTRACTUAL ARRANGEMENTS

Our Company has entered into a series of Contractual Arrangements with the WFOE and our PRC Consolidated Affiliated Entities, pursuant to which our Company would gain effective control over, and receive all the economic benefits generated by, the businesses operated by our PRC Consolidated Affiliated Entities. Accordingly, through the Contractual Arrangements, the results of operations and assets and liabilities of Shenzhen iDreamSky and its subsidiaries are consolidated into our results of operations and assets and liabilities under IFRS as if they were subsidiaries of our Group. The total revenue of our PRC Consolidated Affiliated Entities during the year ended 31 December 2025 was approximately RMB1,308.8 million, and the total assets of our PRC Consolidated Affiliated Entities as at 31 December 2025 was approximately RMB3,235.0 million.

The following simplified diagram illustrates the flow of economic benefits from our PRC Consolidated Affiliated Entities to our Group as stipulated under the Contractual Arrangements:



Notes:

(1) WFOE provides business support, technical support, consulting services and other services in exchange for service fees from Shenzhen iDreamSky. Please refer to the paragraph headed "Summary of the Contractual Arrangements" below.

(2) The registered shareholders of Shenzhen iDreamSky, namely Mr. Chen Xiangyu, Mr. Guan Song, Ningbo Meishan Free Trade Zone iDream Tonghui Investment Partnership (Limited Partnership) (寧波梅山保税港區築夢同輝投資管理合夥企業(有限合夥)), Mr. Lei Junwen, Mr. Su Meng, Linzhi Yongjin Information Technology Co., Ltd. (林芝永進信息科技有限公司) and Hengqin Chuangmeng Ruitong Equity Investment (Limited Partnership) (橫琴創夢瑞通股權投資企業(有限合夥)) are collectively referred to as "Registered Shareholders". Mr. Chen Xiangyu, Mr. Guan Song, Mr. Lei Junwen and Mr. Su Meng are referred to as the "Relevant Individual Shareholders"

The Registered Shareholders executed exclusive option agreement, powers of attorney and equity pledge agreements, and the spouse of each of the Relevant Individual Shareholders executed an undertaking, in favor of WFOE. Please refer to the paragraph headed "Summary of the Contractual Arrangements" below.

(3) In addition to the restricted and/or prohibited business of our Company, Shenzhen iDreamSky also holds investments in certain entities in the PRC (the "**Relevant Entities**"), each of which (i) is engaged in business subject to foreign ownership restriction; (ii) is engaged in business subject to foreign ownership prohibition; or (iii) does not currently carry out business operations that are subject to foreign investment restrictions under the Negative List; however, (a) the Relevant Entity intends to invest or engage in potential businesses that are subject to foreign investment restrictions and has expressly rejected our Company's proposed transfer of interest in the Relevant Entity held by our Group to WFOE, (b) the transfer of interest in the Relevant Entity is expressly prohibited pursuant to the relevant requirement under the PRC laws, and/or (c) based on our Company's communication with the other stakeholders in the Relevant Entity, it would be impracticable to obtain the consent and/or assistance from all of the relevant stakeholders required for our Company's proposed transfer of interest in the Relevant Entity held by our Group to WFOE. For further details of these Relevant Entities, please refer to pages 213 to 224 of the Prospectus.

Summary of the Contractual Arrangements

A brief description of each of the specific agreements that comprise the Contractual Arrangements is set out as follows:

Exclusive Business Cooperation Agreement

On 10 May 2018, WFOE and Shenzhen iDreamSky entered into the exclusive business cooperation agreement (the "**Exclusive Business Cooperation Agreement**"), pursuant to which Shenzhen iDreamSky agreed to engage WFOE as its exclusive service provider to provide, including but not limited to, technical support, development, maintenance and update of software, business management consultation, marketing and promotion services, leasing, assignment or disposal of equipment or properties, and other services. In exchange for these services, Shenzhen iDreamSky shall pay a service fee, which shall consist of 100% of the total consolidated profit of Shenzhen iDreamSky, after deducting any accumulated deficit of Shenzhen iDreamSky and its affiliated entities in respect of the preceding financial year(s), operating costs, expenses, taxes and other statutory contributions. During the term of the Exclusive Business Cooperation Agreement, WFOE enjoys all the economic benefits in relation to Shenzhen iDreamSky's business operation. The Exclusive Business Cooperation Agreement also provides that WFOE has the exclusive and proprietary ownership, rights and interests in all intellectual properties arising out of or created during the performance of the Exclusive Business Cooperation Agreement.

The Exclusive Business Cooperation Agreement shall remain effective unless terminated (a) in accordance with the provisions of the Exclusive Business Cooperation Agreement; (b) in writing by WFOE; or (c) renewal of the business operation term of either the WFOE or Shenzhen iDreamSky is not approved or consented by the relevant government authorities, at which time the Exclusive Business Cooperation Agreement will terminate upon expiry of that business operation term.

Exclusive Option Agreement

On 10 May 2018, WFOE, Shenzhen iDreamSky and the Registered Shareholders entered into the exclusive option agreement (the "**Exclusive Option Agreement**"), pursuant to which WFOE has the irrevocable and exclusive right to purchase, or to designate one or more persons to purchase, from the Registered Shareholders all or any part of their equity interests in Shenzhen iDreamSky at any time and from time to time at WFOE's sole and absolute discretion to the extent permitted by PRC laws.

The Exclusive Option Agreement shall remain effective unless terminated in the event that the entire equity interests held by the Registered Shareholders in Shenzhen iDreamSky have been transferred to WFOE or its appointee(s).

Equity Pledge Agreement

On 10 May 2018, WFOE, Shenzhen iDreamSky and the Registered Shareholders entered into the equity pledge agreement (the "**Equity Pledge Agreement**"), pursuant to which the Registered Shareholders agreed to pledge all of their respective equity interests in Shenzhen iDreamSky to WFOE as collateral security for any and all of the secured indebtedness under the Contractual Arrangements and for securing the performance of their obligations under the Contractual Arrangements. During the pledge period, WFOE was entitled to receive any dividends or other distributable benefits arising from the equity interests in Shenzhen iDreamSky held by the Registered Shareholders.

The pledge in favor of WFOE under the Equity Pledge Agreement shall remain valid until all the contractual obligations of the Registered Shareholders and Shenzhen iDreamSky under the Contractual Arrangements have been fully performed and all the secured indebtedness of the Registered Shareholders and Shenzhen iDreamSky under the Contractual Arrangements have been fully paid.

Powers of Attorney

On 10 May 2018, the Registered Shareholders executed powers of attorneys (the "**Powers of Attorney**"), pursuant to which the Registered Shareholders irrevocably appointed WFOE and its appointees (including but not limited to the directors of WFOE and their successors and liquidators replacing the directors but excluding those non-independent directors or who may give rise to conflict of interests) as their exclusive agents and attorneys-in-fact to act on their behalf on all matters concerning Shenzhen iDreamSky and to exercise all of their respective rights as a Registered Shareholder of Shenzhen iDreamSky in accordance with the PRC laws and the memorandum and articles of association of Shenzhen iDreamSky.

The Powers of Attorney shall be irrevocable and remain effective for so long as each Registered Shareholder holds equity interest in Shenzhen iDreamSky.

Spouse Undertakings and Confirmations from the Relevant Individual Shareholders

The spouse of each of the Relevant Individual Shareholders, where applicable, has signed an undertaking (the "**Spouse Undertakings**") to the effect that (i) the respective Relevant Individual Shareholder's interests in Shenzhen iDreamSky (together with any other interests therein) do not fall within the scope of communal properties; and (ii) the spouse has no right to or control over such interests of the respective Relevant Individual Shareholder and will not have any claim on such interests.

Each of the Relevant Individual Shareholders has also confirmed to the effect that (i) his/her spouse is aware of the Exclusive Option Agreement, the Equity Pledge Agreement and the respective Power of Attorney; (ii) his/her shareholding is his/her personal property and does not constitute joint property; (iii) his/her spouse agrees that he/she has the right to claim any interests, handle his/her shareholding at his/her sole discretion without consent of his/her spouse and to enjoy the rights and perform the obligations under the Exclusive Option Agreement, the Equity Pledge Agreement and the respective Power of Attorney by himself/herself. If he/she and his/her spouse get divorced, the equity interest in the domestic company held by him/her is his/her personal property and does not constitute a joint property of him/her and his/her spouse, and he/she will take measures to ensure the performance of the Exclusive Option Agreement, the Equity Pledge Agreement and the respective Power of Attorney and will not take any actions in violation of the Exclusive Option Agreement, the Equity Pledge Agreement and the respective Power of Attorney; and (iv) in the event of his/her death, incapacity or any other event which causes his/her inability to exercise his/her shareholder's rights in Shenzhen iDreamSky, his/her successors will inherit all his/her rights and obligations under the Power of Attorney.

Reasons for adopting the Contractual Arrangements

Our principal businesses involve publication and operation of games through mobile apps and websites and are subject to foreign investment restrictions in accordance with the Guidance Catalog of Industries for Foreign Investment. In view of such PRC regulatory background, after consultation with our PRC legal advisers, we determined that it was not viable for our Company to hold our PRC Consolidated Affiliated Entities directly through equity ownership. For further details of the foreign investment restrictions relating to the Contractual Arrangements, please refer to the sections headed "Contractual Arrangements — PRC Regulatory Background — Overview" and "Contractual Arrangements — Development in the PRC Legislation on Foreign Investment" on pages 211 to 212 and pages 239 to 246 of the Prospectus.

Risks Relating to the Contractual Arrangements

There are certain risks that are associated with the Contractual Arrangements, including:

1. If the PRC government determines that the Contractual Arrangements do not comply with the applicable regulations, our business could be materially and adversely affected;
2. If the PRC government determines that our ownership structure does not comply with restrictions contained in the NPPA Notice, we would be subject to severe penalties;
3. Our Contractual Arrangements with Shenzhen iDreamSky and its Registered Shareholders may not be as effective in providing control as direct ownership. Shenzhen iDreamSky and its Registered Shareholders may fail to perform their obligations under these Contractual Arrangements;
4. Our ability to enforce the Equity Pledge Agreement may be subject to limitations based on PRC laws and regulations;
5. The Registered Shareholders of Shenzhen iDreamSky have potential conflicts of interest with us, which may adversely affect our business;
6. We may lose the ability to use and enjoy the benefits of the assets held by Shenzhen iDreamSky that are important to the operations of our business if such entity goes bankrupt or becomes subject to dissolution or liquidation proceeding;
7. Our Contractual Arrangements with Shenzhen iDreamSky may result in adverse tax consequences; and
8. Substantial uncertainties exist with respect to enactment timetable, interpretation and implementation of the draft PRC Foreign Investment Law and how it may impact the viability of our current corporate structure, corporate governance and business operations.

For further details of these risks, please refer to the section headed "Risk Factors — Risks Related to Our Contractual Arrangements" on pages 51 to 58 of the Prospectus. Our Group has adopted the following measures to ensure the effective operation of our Group with the implementation of the Contractual Arrangements and our compliance with the Contractual Arrangements:

1. major issues arising from the implementation and compliance with the Contractual Arrangements or any regulatory enquiries from government authorities will be submitted to our Board, if necessary, for review and discussion as and when they arise;
2. our Board will review the overall performance of and compliance with the Contractual Arrangements at least once a year;
3. our Company will disclose the overall performance of and compliance with the Contractual Arrangements in our annual reports; and
4. our Company will engage external legal advisers or other professional advisers, if necessary, to assist the Board to review the implementation of the Contractual Arrangements, review the legal compliance of WFOE and our PRC Consolidated Affiliated Entities to deal with specific issues or matters arising from the Contractual Arrangements.

Listing Rules Implications and Waivers from the HKEX

The transactions contemplated under the Contractual Arrangements constitute continuing connected transactions for our Company pursuant to Chapter 14A of the Listing Rules. As such, we have applied to the HKEX, and the HKEX has granted, a waiver from strict compliance with (i) the announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the transactions contemplated under the Contractual Arrangements pursuant to Rule 14A.105 of the Listing Rules; and (ii) the requirement of setting an annual cap for the transactions under the Contractual Arrangements under Rule 14A.53 of the Listing Rules, for so long as our Shares are listed on the HKEX, subject, however, to the following conditions:

1. no change to the Contractual Arrangements will be made without independent non-executive Directors' approval;
2. no change to the Contractual Arrangements will be made without independent shareholders' approval;
3. on the basis that the Contractual Arrangements provide an acceptable framework for the relationship between our Company and its subsidiaries in which our Company has direct shareholding, on the one hand, and our PRC Consolidated Affiliated Entities, on the other hand, that framework may be renewed and/or reproduced upon expiry of the existing arrangements or in relation to any existing or new WFOE or operating company (including branch companies) engaging in the same business as that of our Group which our Group may wish to establish when justified by business expediency, without obtaining the approval of the shareholders, on substantially the same terms and conditions as the existing Contractual Arrangements; and
4. we will disclose details relating to the Contractual Arrangements on an ongoing basis.

Annual Review by our Independent Non-Executive Directors and Auditor

Our independent non-executive Directors have reviewed the Contractual Arrangements and confirmed that:

1. the transactions carried out during the year ended 31 December 2025 had been entered into in accordance with the relevant provisions of the Contractual Arrangements;
2. no dividends or other distributions had been made by our PRC Consolidated Affiliated Entities to the holders of its equity interests which are not otherwise subsequently assigned or transferred to our Group;
3. other than the Contractual Arrangements, no new contracts had been entered into, renewed and/or reproduced between our Group and the PRC Consolidated Affiliated Entities during the year ended 31 December 2025; and
4. the Contractual Arrangements had been entered into in the ordinary and usual course of business of our Group, are on normal commercial terms and are fair and reasonable so far as our Group is concerned, and in the interest of our Company and its shareholders as a whole.

Our Auditor has confirmed in a letter to our Board that the transactions under the Contractual Arrangements have been approved by our Board, the transactions carried out during the year ended 31 December 2025 had been entered into in accordance with the relevant provisions of the Contractual Arrangements, and that no dividends or other distributions had been made by our PRC Consolidated Affiliated Entities to the holders of its equity interests which are not otherwise subsequently assigned or transferred to our Group.

SOCIAL RESPONSIBILITY

During the Reporting Period, adhering to the idea that business development and fulfillment of social responsibilities are of equal importance, the company has actively carried out public welfare practices. Through public welfare projects such as village revitalization, education assistance and tree planting, the Company has made practical actions to promote rural development and ecological protection, earnestly implemented the concept of sustainable development, and contributed its strength to the construction of a better society.

For details, please refer to the 2025 Environmental, Social and Governance Report of the Company.

ISSUANCE OF DEBENTURES

During the Reporting Period, no issuance of debentures was made by the Company.

SIGNIFICANT LEGAL PROCEEDINGS

During the Reporting Period, the Company was not engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the directors to be pending or threatening against the Company.

PERMITTED INDEMNITY PROVISION

Under the Memorandum and Articles of Association, every Director or other officers of the Company acting in relation to any of the affairs of the Company shall be entitled to be indemnified against all actions, costs, charges, losses, damages and expenses which he may incur or sustain in or about the execution of his duties in his office; be indemnified and secured harmless out of the assets of the Company; provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty.

The Company has arranged appropriate insurance cover in respect of legal action against its Directors and officers.

EMPLOYEES AND THEIR REMUNERATION POLICIES, RETIREMENT PLANS AND TRAINING PROGRAMS

As at 31 December 2025 and 2024, we had 654 and 852 full-time employees, respectively. Substantially all of our employees are located in the PRC, and a small number of employees are located in Hong Kong.

Our success depends on our ability to attract, retain and motivate qualified personnel. We provide employees with competitive remuneration packages to achieve the Group's talent strategic objectives. In addition to basic salary, we also provide employees with diversified remuneration policies such as performance bonus and share awards. Details of the remuneration of employees are set out in Note 10 to the consolidated financial statements in this annual report. We also purchase commercial health and accident insurance for our employees. We have granted, and plan to continue to grant in the future, share award schemes to our employees to incentivize their contributions to our development.

The Group and its employees in the PRC participate in various social security plans and housing funds in accordance with the laws and regulations of the PRC and the requirements of the relevant authorities where the PRC employees are located. Among them, post-employment benefit plans are basic pension insurance organized and implemented by the Ministry of Human Resources and Social Security of the People's Republic of China (the "**Social Security Department**"), which belong to the category of defined contribution plans. These insurance plans shall be calculated as a percentage of the employees' basic salaries and make monthly contributions, which are charged to profit or loss on an accrual basis. The Social Security Department is responsible for the payment of the basic social pension to the retired employees upon their retirement in the PRC. We also make contributions for our Hong Kong employees at the statutory mandatory contribution rates jointly borne by the Company and the employees within the statutory limits prescribed by the Mandatory Provident Fund Schemes Ordinance.

During the year ended 31 December 2025, no forfeited contributions were used to offset employers' contributions and no forfeited contributions were available to reduce the contributions payable in the future years.

We provide talent management training programs for our senior management to help them enhance their strategic vision and leadership skills. We also provide employees with job-specific trainings, such as customer service training and compliance management training, as well as various theme-specific trainings such as Techtalk activities, induction training for fresh graduates and employee sharing activities. Through these trainings, we help employees improve their professional skills and comprehensive qualities.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the section Corporate Governance Report on pages 62 to 84 of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

Based on information publicly available to the Company and to the best knowledge of the Directors, at least 25% of the Company's total issued Shares (excluding treasury shares), the prescribed minimum percentage of public float approved by the HKEX and permitted under the Listing Rules, were held by the public at all times during the Reporting Period and as of the Latest Practicable Date.

AUDITOR

PricewaterhouseCoopers was appointed as the Auditor during the Reporting Period. The accompanying financial statements prepared in accordance with IFRS(s) have been audited by PricewaterhouseCoopers.

PricewaterhouseCoopers shall retire at the forthcoming AGM and, being eligible, will offer itself for reappointment. A resolution for the re-appointment of PricewaterhouseCoopers as Auditor will be proposed at the AGM.

During the past three years, the Company has not changed auditors.

On behalf of the Board
Chen Xiangyu
Chairman
Shenzhen, the PRC, 30 March 2026

Directors and Senior Management

Directors

Executive Directors

Mr. Chen Xiangyu (陳湘宇), aged 43, is an executive Director, Chairman of the Board and Chief Executive Officer of our Company. Mr. Chen has more than fifteen years of experience in mobile games, telecommunication, technology and management and is fully responsible for overseeing the Company's strategy, business and management. Mr. Chen is a co-founder and also serves as the chief executive officer and a director of Shenzhen iDreamSky, a director of Shenzhen Mengyu and a director of Chuangyi Shikong. Mr. Chen has received numerous awards and recognitions for his entrepreneurship and industry expertise, including being listed as one of the "40 Elite Individuals in Business Under the age of 40 in the PRC" (中國40位40歲以下的商界精英) in years 2014 and 2016 by Fortune Magazine (Chinese edition), being listed as one of the "Top 10 PRC Entrepreneurs Born in 1980s" (中國十大八零後創業家) by the Hurun Report (胡潤百富) in 2016, being listed as one of the "100 Most Innovative Individuals in PRC Business of 2016" (2016中國商業最具創意人物100) by the Fast Company Magazine, being awarded the Young Individual in Technology Award (青年科技獎) by the Shenzhen Science and Technology Association (深圳市科學技術協會) in 2017 and being selected as "Remarkable Young Entrepreneur of the Year in Shenzhen" (深圳青年創業年度風雲人物). In 2016, Mr. Chen was appointed as "Ambassador of Innovative Entrepreneurship of Nanshan District" (南山區創新創業形象大使) by the government of Nanshan District, Shenzhen, the PRC. In July 2017, he was nominated to the position of committee member of the Youth Association of Shenzhen (深圳市青年聯合會委員). Mr. Chen received his bachelor's degree in computer science and technology from the Central South University in the PRC in July 2000.

Mr. Guan Song (關嵩), aged 45, is an executive Director and Chief Technology Officer of our Company. Mr. Guan is also a co-founder and the chief technology officer of Shenzhen iDreamSky. Mr. Guan has more than fifteen years of experience in the telecommunications, technology and Internet, and is fully responsible for supervising the Company's business core technology deposition, international cutting-edge technology application research. Mr. Guan is the joint inventor of a Chinese invention patent and led the development of more than ten game software products. Mr. Guan is certificated for High-Level Professional in Shenzhen by Human Resources and Social Security Administration of Shenzhen Municipality (深圳市人力資源和社會保障局). Mr. Guan received a bachelor's degree in software engineering from Zhejiang University in the PRC in June 2004.

Mr. Yang Jialiang (楊佳亮), aged 43, is the chief human resources officer of the Company and was appointed as Executive Director in August 2023. Mr. Yang has extensive experience in human resources management and is fully responsible for the Company's human resources and administrative management. Since serving as chief human resources officer, he has made outstanding contributions to the Company's organizational change and the introduction of outstanding talents. Prior to joining the Company, Mr. Yang Jialiang worked at Tencent where he served as the recruitment manager for the Corporate Development Group and the consulting director successively from September 2013 to March 2022. From August 2010 to September 2013, he worked at Huawei Technologies Co., Ltd., where he served as the global high-end recruitment manager for its software department. Mr. Yang Jialiang obtained a Bachelor's degree of Arts in Journalism from Zhejiang University in the PRC in 2005 and a Master's degree of Law in political science from Zhejiang University in the PRC in 2007.

Non-executive Directors

Mr. Zhang Han (張涵), aged 45, was appointed as a non-executive Director of our Company in April 2020. Mr. Zhang is currently a partner of Sequoia Capital China. Prior to that, Mr. Zhang served as a partner of Redpoint China Ventures (紅點中國創業投資基金) from 2017 to 2021, Mr. Zhang served as a partner of Redpoint Ventures (紅點創業投資基金) from 2010 to 2016 and a market engineer at Infineon Technologies (China) Co., Ltd. (英飛淩科技(中國)有限公司), a global leading semiconductor company, from 2006 to 2009. Mr. Zhang was selected as one of the top 40U40 investors in CY Zone in 2018. He was also selected as one of the top 50 China Mid-Generation Investors in 36Kr, one of the F40 China Young Investors in Investment World and one of the 70 Youth Leader GP30 of the generation born in the 70s in FOF Weekly in 2019. Mr. Zhang obtained his bachelor's degree in automation and master's degree in vehicle engineering in Tsinghua University in the PRC in 2002 and 2005, respectively.

Mr. Yang Ming (楊明), aged 43, serves as the head of domestic game distribution line at Interactive Entertainment Group of Tencent. He was appointed as a non-executive Director of our Company in August 2023. Since Mr. Yang Ming joined Tencent in 2006, he has been responsible for several key businesses successively. He has led the game product "League of Legends" to rapidly grow to a nationwide e-sports game, and led the team of game product "Dungeon & Fighter" to win Tencent Major Business Breakthrough Award for several times. In addition to the position aforementioned, Mr. Yang Ming has been a non-executive director of China Ruyi Holdings Limited (whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited, stock code: 0136) since June 2023. Mr. Yang Ming holds a master's degree in management from Wuhan University in the PRC.

Independent Non-executive Directors

Ms. Yu Bin (余濱), aged 56, was appointed as independent non-executive Director of our Company in May 2018. Ms. Yu has extensive industry experience in financial management. In addition to her position in our Group, Ms. Yu has been an independent non-executive director of DPC Dash Ltd since December 2024, an independent non-executive director of ZERO2IPO Holdings Inc. (清科創業控股有限公司) since December 2020, and an independent director of GDS Holdings Ltd. since November 2016. Before that, Ms. Yu has been an independent director of Kuke Music Holding Limited from January 2021 to June 2023, an independent director of Baozun Inc. from May 2015 to May 2023, an independent non-executive director of Tian Ge Interactive Holdings Limited (天鴿互動控股有限公司) from July 2014 to January 2021. In addition, Ms. Yu has served as the chief financial officer of Lingochamp Inc. from October 2017 to January 2020, as the chief financial officer of InnoLight Technology Corp. from January 2015 to April 2017, as the chief financial officer of Star China Media Limited (星空華文傳媒集團) from May 2013 to January 2015, as a senior vice president of Youku Tudou Inc. from August 2012 to April 2013, as the chief financial officer of Tudou Holdings Limited from January 2012 to April 2013, and as the vice president of finance of Tudou Holdings Limited from July 2010 to December 2011.

Ms. Yu obtained a bachelor's degree in English literature from Xi'an Foreign Language University in the PRC in July 1992, a master's degree in accounting from the University of Toledo in the United States in May 1999, and a Tsinghua-INSEAD EMBA degree from Tsinghua University and INSEAD in January 2013. She has been a member of the American Institute of Certified Public Accountants since November 2013 and a member of Chartered Global Management Accountant since December 2013.

Mr. Li Xintian (**李新天**), aged 60, was appointed as independent nonexecutive Director in May 2018. In addition to his position in our Group, Mr. Li has been serving as a professor in the Wuhan University since November 2005. Prior to that, Mr. Li has been teaching in the Office of Teaching and Research of Civil Commercial Law of the Department of Law of the Wuhan University (武漢大學法學院民商法教研室) since September 1992, where he has held the position of lecturer and became an associate professor in June 2000. In addition, Mr. Li has been an independent director of Sunshine Lake Pharma Co., Ltd. (廣東東陽光藥業股份有限公司) since October 2023, an independent director of Huachangda Intelligent Equipment Group Co., Ltd. (華昌達智能裝備集團股份有限公司) from November 2013 to February 2015, an independent director of Hubei Century Network Technology Co., Ltd. (湖北盛天網絡技術股份有限公司) from May 2012 to November 2015, an independent director of Guangdong Hec Technology Holding Co., Ltd. (廣東東陽光科技控股股份有限公司) from May 2008 to May 2014 and an independent director of Changjiang Securities Co., Ltd. (長江證券股份有限公司) since December 2025. He was admitted by the Department of Justice of Hubei (湖北省司法廳) as a lawyer in July 1993. Mr. Li obtained his bachelor's degree in law in July 1989 from the Wuhan University in the PRC and his doctorate degree in law from the Wuhan University in the PRC in June 2002.

Mr. Zhang Weining (**張維寧**), aged 47, was appointed as independent nonexecutive Director in May 2018. In addition to his position in our Group, Mr. Zhang has been serving as an associate professor of Cheung Kong Graduate School of Business (長江商學院) since May 2015. Before that, Mr. Zhang served as assistant professor in Business School of National University of Singapore from August 2010 to December 2011. He has been a director of Transino Technology Corp., Ltd. (北京時代正邦科技股份有限公司) since September 2016, and holds approximately 0.15% of the share capital therein. Mr. Zhang has been serving as an independent nonexecutive director of Grandshores Technology Group Limited (雄岸科技集團有限公司) from June 2018 to May 2022. Mr. Zhang has been a director of Guangzhou Topcomm Media Advertising Co., Ltd. (廣州尚思傳媒廣告股份有限公司) from June 2013 to May 2018, and holds approximately 4.32% of the share capital therein. Mr. Zhang has been a director of Sichuan Tianyi Science & Technology Co., Ltd. (四川天一科技股份有限公司) from August 2012 to November 2015. Mr. Zhang obtained his bachelor's degree in accounting in Southwestern University of Finance and Economics in the PRC in July 2001 and his doctorate's degree in management in the University of Texas in the United States in August 2010.

Mr. Mao Rui (毛睿), aged 50, was appointed as independent non-executive Director of our Company in August 2020. In addition to his position in our Group, Mr. Mao has joined Shenzhen University as an associate professor of College of Computer Science and Software Engineering in 2010, and currently serves as a Changjiang Scholars Special Position professor of College of Computer Science and Software Engineering, primarily responsible for scientific research and foreign affairs. His research primarily focuses on big data management and high-performance computing.

Mr. Mao also serves as an executive dean of Shenzhen Institute of Computing Sciences, deputy director of National Engineering Laboratory for Big Data System Computing Technology, director of Guangdong Provincial Key Laboratory of popular High-Performance Computing, director of Guangdong Provincial Engineering Technology Research Center of Domestic High-Performance Data Computing System, and director of Shenzhen Key Laboratory of Service Computing and Application. He is also a distinguished member of China Computer Federation (CCF), and a deputy director on expert panel of Big Data, and is on expert panel of Database.

Mr. Mao obtained a bachelor's degree and a master's degree in Computer Science from University of Science and Technology of China in 1997 and 2000, respectively. He further obtained a master's degree in Statistics and a doctorate's degree in Computer Science from the University of Texas at Austin in the United States in 2006 and 2007, respectively.

Senior Management

Mr. Lei Junwen (雷俊文), aged 42, was appointed as Chief Financial Officer of our Company since May 2018 and is primarily responsible for overseeing the overall financial management, investment and financing, capital market and strategic development of our Group. Mr. Lei also serves as the chief financial officer of Shenzhen iDreamSky and a director of Horgos iDreamSky. Mr. Lei has extensive industry experience in the financial management, accountancy and consultancy industries, including experience in KPMG from August 2006 to May 2010, where he was eventually promoted to audit assistant manager, as senior manager of Vermillion Partners Limited (銀硃合夥人有限公司) from June 2010 to November 2013 and as chief financial officer of XDK Communication Equipment (Huizhou) Co., Ltd. (訊達康通訊設備(惠州)有限公司) from December 2010 to November 2013. Mr. Lei is a Certified Public Accountant in the PRC. Mr. Lei obtained his bachelor's degree in accounting from Zhejiang University in the PRC in June 2005, and he also obtained an EMBA degree from PBC School of Finance, Tsinghua University in June 2023.

Mr. Ho, Mario Yau Kwan (何猷君), aged 31, was appointed as Chief Marketing Officer of our Company since May 2018 and is primarily responsible for marketing and promotions, Esports related business and augmented reality games. Mr. Ho also serves as the chief marketing officer of Shenzhen iDreamSky and chairman/co-CEO of NIP Group. Mr. Ho has been the first Chairperson of the Macau E-sports Federation since April 2018. Mr. Ho was appointed as the member of the 13th Hubei Provincial Committee of the Chinese People's Political Consultative Conference from 8 January 2023 to 8 January 2026, and Mr. Ho has been appointed as the member of the Standing Committee of the 8th Hainan Provincial Committee of the Chinese People's Political Consultative Conference since 30 January 2026. Mr. Ho obtained his bachelor's degree in management science in June 2016 from the Massachusetts Institute of Technology.

For biographical details of Mr. Chen Xiangyu, Mr. Guan Song and Mr. Yang Jialiang, who form part of our senior management team, please refer to the section above on pages 56 to 57.

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving and maintaining high standards of corporate governance to safeguard the interests of the shareholders and stakeholders and to enhance corporate value and accountability. The Company has adopted the CG Code as set out in Appendix C1 to the Listing Rules as its own code of corporate governance. Save as disclosed in this report, the Company has complied with all applicable code provisions under the CG Code during the Reporting Period. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

The basis on which the Company generates or preserves value over the longer term and the strategy for delivering the Company's objectives are set out in the section headed "Chairman's Statement" on pages 5 to 8 and the section headed "Management Discussion and Analysis" on pages 9 to 19 of this annual report.

BOARD OF DIRECTORS

Board Responsibilities

The Board is responsible for the overall leadership of the Company, oversees the Company's strategic decisions and monitors business and performance. To ensure high efficient operation and flexible and fast decision making, the Board has delegated the authority and responsibility for day-to-day management and operation of the Company to the senior management of the Company. The senior management team meets as frequently as necessary to formulate policies and make recommendations to the Board. The senior management team administers, enforces, interprets and supervises compliance with the internal rules and operational procedures of the Company as well as its subsidiaries and conducts regular reviews, recommends and advises on appropriate amendments to such rules and procedures. The senior management team reports to the Board on a regular basis and communicates with the Board whenever required.

To oversee particular aspects of the Company's affairs, the Board delegates certain matters requiring particular time, attention and expertise to the Board committees with the support of independent oversight and experts, which are more appropriate for the Board committees to deal with. As such, the Board has established four Board committees to take charge of these matters and to assist the Board in making appropriate decisions. These four Board committees include the audit committee (the "**Audit Committee**"), the remuneration and appraisal committee (the "**Remuneration and Appraisal Committee**"), the nomination committee (the "**Nomination Committee**") and the strategy committee (the "**Strategy Committee**") of the Company (together, the "**Board Committees**"). Each of the committees has its written terms of reference which clearly specify its powers and authorities. The Board has delegated to the Board Committees responsibilities as set out in their respective terms of reference.

All Directors shall carry out duties in good faith and in compliance with applicable laws and regulations, and have acted in the interests of the Company and the shareholders at all times.

The Company has arranged appropriate liability insurance in respect of legal action against the Directors. The insurance coverage will be reviewed on an annual basis.

Delegation by the Board

The Board reserves for its decision all major matters of the Company, including: approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters.

The daily management, administration and operation of the Company are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the management.

Corporate Governance Function

The Board recognizes that corporate governance should be the collective responsibility of the Directors but may delegate some corporate governance duties to the Board Committees. The corporate governance functions of the Board include:

1. to develop and review the Company's policies and practices on compliance with corporate governance;
2. to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
3. to develop, review and monitor the code of conduct and compliance manual applicable to the Directors and employees;
4. to assign the Audit Committee to review and monitor the effectiveness of the Company's risk management and internal control systems, evaluate and manage the risks faced by the Company, and review and monitor the whistleblowing policy and its compliance;
5. to assign the Nomination Committee to review and monitor the Board Diversity Policy and continuous professional development of Directors;
6. to review the Shareholders' Communication Policy to enhance effective communication between the Company and the shareholders; and
7. to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

The Board reviews the Company's corporate governance policies at least annually. The regular key concerns of the Board include but are not limited to: significant risks faced by the Group, the effectiveness of the internal control system, the review of the Memorandum and Articles of Association and the decision-making authority and authorization system of the Board and senior management of the Company. During the Reporting Period, the Board and relevant Board Committees have performed the duties under code provision A.2.1 of the CG Code.

At the Board meeting dated 30 March 2026, the Board has reviewed and approved the Corporate Governance Report of the Company for the year 2025 and authorized for issue. For details of risk management and internal control in 2025, please refer to the section headed "Risk Management and Internal Control" on pages 78 to 81 of this report.

Mechanisms for the Board to Obtain Independent Views and Opinions

All Directors of the Company received a comprehensive induction on the first occasion of their appointment, through training and reading on relevant materials, so as to ensure that they understand the business and operations of the Group and are fully aware of their responsibilities and obligations under the Listing Rules and relevant regulatory requirements. The Company continues to provide the Directors with information and materials related to the updates of the Listing Rules, listing regulatory information, and directors' training materials relevant to the performance of their duties, so that the Directors can continue to obtain professional development and perform their duties in accordance with the Listing Rules and relevant laws and regulations.

Each Director is entitled to seek advice from the Company's management, company secretary or relevant departments of the Company regarding the Company's relevant circumstances, and to seek independent professional advice on any matters relating to the performance of his/her duties at the Company's expense. The Company has purchased liability insurance for Directors and senior management in respect of legal risks that may be faced by the Directors and senior management in the performance of their duties to ensure that the Directors and senior management can contribute independent views and opinions to the Company.

During the Reporting Period, the Board has reviewed the implementation of the mechanism and reviewed and considered that the mechanism remains effective.

Board Diversity Policy

The Company recognizes the benefits of having a diverse Board and recognizes that maintaining diversity at Board, senior management team and employees is an essential element in maintaining and enhancing the Company's competitive advantage. The Company is committed to promoting gender diversity at the Board and throughout the Group.

The Company has adopted a board diversity policy (the "**Board Diversity Policy**"), which is available on the website of the Company, to ensure that the Company will consider board diversity in terms of, among other things, age, cultural and educational background, professional and industry experience, special skills, knowledge, perspectives and other contributions that can be made to the Board when selecting candidates to join the Board, with a focus on gender as one of the factors in achieving board diversity of the Company.

The Board Diversity Policy of the Company requires that the number of independent non-executive Directors shall account for at least one-third of the Board, and there shall be at least one female Director and one independent non-executive Director with financial related background. During the Reporting Period, the Board has reviewed the Board Diversity Policy and is of the view that the current Board composition has fully complied with the aforesaid requirements. We aim to maintain at least the current level of female representation on our Board. The Nomination Committee will continue to monitor suitable candidates for potential female Directors, including but not limited to appointment of executive Directors within the Group and/or appointment of non-executive Directors externally. The Board will also consider further increasing the proportion of its female members when suitable candidates are available in the future.

Employee Diversity Policy

Diversity is one of the core values of the Group. The Company respects the individual diversity of each employee, including but not limited to race, colour, gender, religion, nationality, sexual orientation or other legally protected identities. Employee diversity shall adhere to the principles of legality and compliance, equality and inclusiveness, and equal pay for equal work. The Group attaches great importance to employee diversity and strives to build an equal, diverse, inclusive and vibrant working environment, enabling all employees to feel a sense of belonging, respect and recognition.

The Company has adopted an employee diversity policy (the "**Employee Diversity Policy**") on 28 August 2025, which is available on the website of the Company, to ensure that the Company will consider its practical implementation of employee diversity in terms of five areas, namely: "Recruitment and Selection", "Training and Development", "Remuneration and Benefits", "Career Development and Promotion", and "Gender Equality and Empowerment".

1) Recruitment and Selection: In the recruitment process, we adhere to the principles of fairness and impartiality, and do not discriminate against candidates on the basis of race, colour, gender, religion, nationality, sexual orientation or other legally protected identities. We widely attract outstanding talents from diverse backgrounds to enrich the team's knowledge structure and innovative perspectives.

2) Training and Development: We provide employees with diverse training and development opportunities to support their growth in career paths. Regardless of their backgrounds, all employees have equal opportunities to participate in programs such as professional skills training and management capability enhancement.

3) Remuneration and Benefits: We establish a fair and reasonable remuneration system to ensure that remuneration levels are based on job value, individual ability and performance rather than personal background factors. Meanwhile, we provide diverse benefit plans to meet the needs of different employees.

4) Career Development and Promotion: We provide employees with equal opportunities for career development and promotion, with ability and performance as the main evaluation criteria. We encourage employees from diverse backgrounds to achieve their career goals within the Group and build a diverse talent pipeline.

5) Gender Equality and Empowerment: We actively promote gender empowerment, gender equality and gender diversity among employees, eliminate gender bias, support female employees to play an important role in various fields such as the gaming industry, and promote the construction of a gender-balanced working environment.

This Policy will be reviewed and revised from time to time to ensure that it adapts to the Group's development needs, industry dynamics and relevant regulatory requirements, maintaining its effectiveness and forward-looking nature. The senior management of the Company is responsible for monitoring the progress of integrating employee diversity principles into the workplace, corporate culture, development strategies and business operations. They will regularly assess the effectiveness of the Policy's implementation, and may propose revisions to the Policy to the Board based on actual circumstances. Revisions will be implemented upon approval by the Board to ensure that the diversity policy is aligned with the Group's overall strategy.

When selecting suitable candidates for senior management and employees, the Group not only considers the experience and ability of the candidates, but also resolutely opposes gender discrimination. As at 31 December 2025, the number of female employees of the Group accounted for approximately 38% of the total number of employees. The Board considers that the Group has achieved gender diversity at the employee level, and is not aware of any mitigating factors or circumstances which make achieving gender diversity across the workforce (including senior management) more challenging or less relevant.

Nomination Policy for Directorship

In light of Article 16.2 of the Articles of Association of the Company, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board but the number of Directors so appointed shall not exceed the maximum number determined from time to time by the shareholders in general meeting of the Company. Any Director so appointed shall hold office only until the first annual general meeting of the Company after his/her appointment and be eligible for re-election at such meeting.

Subject to the provisions of the Memorandum and Articles of Association and the Cayman Companies Act, upon the resolutions proposed by a majority of the Directors, the Company may by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election.

The majority of the members of the Board shall consist of citizens of the People's Republic of China (the "**PRC Nationals Requirement**"). The shareholders of the Company may by ordinary resolution at any time remove any Director (including a managing director or other executive Director but without prejudice to any claim for damages under any contract) before the expiration of his period of office notwithstanding anything in the Memorandum and Articles of Association or in any agreement between the Company and such Director and may by ordinary resolution elect another person in his stead. Any such change shall be subject to the aforementioned PRC Nationals Requirement. Any person so elected shall hold office during such time only as the Director in whose place he is elected would have held the same if he had not been removed. The Nomination Committee is bound to follow the PRC Nationals Requirement.

Nomination Committee's Role and its Selection Process and Criteria

The Nomination Committee shall review the said information and documents provided by the nominated candidate and conduct the following process (in accordance with the following criteria) with a view to assessing and evaluating whether such candidate is suitably qualified to be appointed as a director of the Company before making recommendations to the Board:

1. to assess such candidate's qualifications, skills, knowledge, ability and experience and also potential time commitment and attention to perform director's duties under common law, legislation and applicable rules, regulations and guidance (including without limitation the Listing Rules and the "Guidance for Boards and Directors" published by the HKEX (the "**Guidance for Boards**")), with reference to the corresponding professional knowledge and industry experience which may be relevant to the Company and also the potential contributions that such candidate could bring to the Board (including potential contributions in terms of qualifications, skills, experience, independence and gender diversity);

2. in addition and without prejudice to Paragraph 1 above, to assess such candidate's personal ethics, integrity and reputation (including without limitation to conduct appropriate background checks and other verification processes against such candidate);
3. with reference to the Company's Board Diversity Policy (as adopted and amended by the Board from time to time), to take into account the then current structure, size and composition (including without limitation the balancing of the age, gender, cultural and educational background, professional and industry experience, skills and knowledge, and diversity of perspectives appropriate to the requirements of the Company's business) of the Board and the Company's strategy, with due regard for the benefits of the appropriate diversity of the Board and also such candidate's potential contributions thereto;
4. to consider board succession planning considerations and the long-term needs of the Company;
5. in case of a candidate for an independent non-executive Director of the Company, to assess: (i) the independence of such candidate with reference to, among other things, the independence criteria as set out in Rule 3.13 of the Listing Rules; and (ii) the guidance and requirements relating to independent non-executive Directors set out in code provision B.3.4 of the CG Code and in the Guidance for Boards; and
6. to consider any other factors and matters as the Nomination Committee may consider appropriate.

Board's Decision

The Board shall consider the recommendations from the Nomination Committee and make a decision as to whether the nominated candidate shall be eligible to be appointed as a director of the Company.

Board Composition

As of the Latest Practicable Date, the Board comprises three executive Directors, two non-executive Directors and four independent non-executive Directors as follows:

Executive Directors

Mr. Chen Xiangyu *(Chairman of the Board and Chief Executive Officer)*
Mr. Guan Song
Mr. Yang Jialiang

Non-executive Directors

Mr. Zhang Han
Mr. Yang Ming

Independent Non-executive Directors

Ms. Yu Bin
Mr. Li Xintian
Mr. Zhang Weining
Mr. Mao Rui

The biographies of the Directors are set out under the section headed "Directors and Senior Management" on pages 56 to 61 of this annual report. To the knowledge of the Board, save as disclosed in the Directors' biographies set out in the section headed "Directors and Senior Management" in this annual report, none of the Directors and senior management have any personal relationships (including financial, business, family or other material or relevant relationship) with any other Directors and senior management.

For the Reporting Period, the Board has met at all times the requirements under Rules 3.10 and 3.10A of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise and relating to the appointment of independent non-executive Directors representing at least one-third of the Board. As each of the independent non-executive Directors has confirmed his/her independence pursuant to Rule 3.13 of the Listing Rules, the Company considers each of them to be independent.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable experience, knowledge and professionalism to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the Strategy Committee.

Appointment and Re-election of Directors

Each of the executive Directors has entered into a service contract with the Company. Pursuant to the contracts, they have agreed to act as executive Directors for a term of three years with effect from the date of their appointments or renewal of the service contract (subject always to re-election as and when required under the Memorandum and Articles of Association). Either party has the right to give not less than three months' prior notice in writing to terminate the relevant agreement.

Each of the non-executive Directors has entered into a service contract with the Company. The term of their office shall be three years from the date of their appointments or renewal of the service contract (subject always to re-election as and when required under the Memorandum and Articles of Association) until terminated in accordance with the terms and conditions of the appointment letter or by either party giving to the other not less than one month's prior notice in writing.

Each of the independent non-executive Directors has entered into a letter of appointment with the Company. The term of their office shall be three years from the date of their appointments or renewal of the letter of appointment subject always to re-election as and when required under the Memorandum and Articles of Association until terminated in accordance with the terms and conditions of the letter of appointment or by either party giving to the other not less than three months' prior notice in writing.

None of the Directors has a service contract or an appointment letter which is not determinable by the Company within one year without paying compensation (other than statutory compensation).

The procedures and process of appointment, re-election and removal of Directors are set out in the Memorandum and Articles of Association. The Nomination Committee is responsible for reviewing the Board composition and making recommendations to the Board on the appointment or re-election of Directors and succession planning for Directors.

In accordance with the Memorandum and Articles of Association, at every AGM of the Company one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Any Director appointed pursuant to article 16.2 or article 16.3 of the articles of association of the Company shall not be taken into account in determining which Directors are to retire by rotation. A retiring Director shall retain office until the close of the general meeting at which he retires and shall be eligible for re-election thereat. The Company at any AGM at which any Directors retire may fill the vacated office by electing a like number of persons to be Directors.

In accordance with the Memorandum and Articles of Association, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board but the number of Directors so appointed shall not exceed the maximum number determined from time to time by the shareholders in general meeting of the Company. Any Director so appointed shall hold office only until the first annual general meeting of the Company after his/her appointment and shall then be eligible for re-election at that meeting.

In accordance with the Memorandum and Articles of Association, the Company may from time to time in general meeting by ordinary resolution increase or reduce the number of Directors but the number of Directors shall not be less than two. Subject to the provisions of the Memorandum and Articles of Association and the Cayman Companies Act, upon the resolutions proposed by a majority of the Directors, the Company may by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the first annual general meeting of the Company after his/her appointment and shall then be eligible for re-election.

Chairman and Chief Executive Officer

Under Code Provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should be performed by different individuals.

At present, the roles of the chairman of the Board and the chief executive officer of the Company are performed by Mr. Chen Xiangyu. Owing to his background, qualification and experience in relation to the Company, Mr. Chen Xiangyu is regarded as the best candidate for assuming the dual roles. The Board considers Mr. Chen Xiangyu's assumption of the dual roles enables the Company to maintain the consistency of the Company's policies and the stability and efficiency of the Company's operations, which is proper and in the best interests of the Company.

During the daily operations of the Company, all material decisions are approved by the Board and the relevant Board Committees, as well as the senior management team. In addition, the Directors proactively participate in all the board meetings and the relevant board committee meetings, and the Chairman ensures all the Directors are duly informed of all the matters to be approved at the meetings. In addition, the senior management team provide the Board with sufficient, clear, complete and reliable company information on a regular basis and from time to time. The Board also regularly meets and reviews the operations of the Company under the leadership of Mr. Chen Xiangyu on a quarterly basis.

The Board is therefore of the view that there is an adequate balance of power and that appropriate safeguards are in place. The arrangement will have no effect on the balance of power and authority between the Board and the Company's senior management team. The Board will continue to regularly monitor and review the Company's current structure and to make necessary changes when appropriate.

Continuous Professional Development of Directors

Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The joint company secretary of the Company has from time to time updated and provided written training materials relating to the roles, functions and duties of a Director. Each Director is provided with necessary induction and information to ensure that he/she has a proper understanding of the Company's operations and businesses as well as his/her responsibilities under relevant statutes, laws, rules and regulations. The Directors are also provided with regular updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties. The Company also organizes related training programs for the directors from time to time to provide directors with updates on latest developments and changes in the Listing Rules and other relevant legal and regulatory requirements from time to time. The Directors also meet with the senior management team from time to time or when necessary to discuss matters such as the Group's business, corporate governance policies and regulatory compliance.

For the year ended 31 December 2025, all Directors had participated in the continuous professional development relating to relevant directors' duties and responsibilities and the latest regulatory information and business of the Group:

Name of Directors	**Participation in continuous professional development** *Yes/No*
Executive Directors:	
Mr. Chen Xiangyu	Yes
Mr. Guan Song	Yes
Mr. Yang Jialiang	Yes
Non-executive Directors:	
Mr. Zhang Han	Yes
Mr. Yang Ming	Yes
Independent non-executive Directors:	
Ms. Yu Bin	Yes
Mr. Li Xintian	Yes
Mr. Zhang Weining	Yes
Mr. Mao Rui	Yes

Participation in continuous professional development includes attending the trainings/seminars/meetings arranged by the Company or other external parties, or reading materials relevant to corporate governance, Listing Rules, latest regulatory information and other regulatory requirements, and the Group's businesses.

Board Meetings

The Company adopts the practice of holding Board meetings regularly, at least four times a year for Board meetings, and at approximately quarterly intervals. Notices of not less than 14 days are given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting.

The Chairman of the Board also focuses on the communication with the independent non-executive Directors and holds at least one meeting with the independent non-executive Directors annually without the presence of other Directors.

For other Board and Board Committee meetings, reasonable notice is generally given. The agenda and accompanying Board documents are dispatched to the Directors or Board Committee members at least three days before the meetings to ensure that they have sufficient time to review the papers and are adequately prepared for the meetings. When Directors or Board Committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the Chairman prior to the meeting. Minutes of meetings are kept by the joint company secretaries with copies circulated to all Directors for information and records.

Minutes of the Board meetings and Board Committee meetings are recorded in sufficient detail about the matters considered by the Board and the Board Committees and the decisions reached, including any concerns raised by the Directors. Draft minutes of each Board meeting and Board Committee meeting are sent to the Directors for comments within a reasonable time after the date on which the meeting is held. Minutes of the Board meetings are open for inspection by Directors.

5 Board meetings and one general meeting (i.e., annual general meeting dated 11 June 2025) were held during the Reporting Period. The attendance of each Director at the Board meetings and the general meeting is set out in the table below:

	Number of meetings attended/eligible to attend	
Directors	**Board of Directors**	**General meeting**
Executive Directors:		
Mr. Chen Xiangyu	5/5	1/1
Mr. Guan Song	5/5	1/1
Mr. Jeffrey Lyndon Ko	1/1	0/0
Mr. Yang Jialiang	5/5	1/1
Non-executive Directors:		
Mr. Zhang Han	5/5	1/1
Mr. Yang Ming	5/5	1/1
Independent non-executive Directors:		
Ms. Yu Bin	5/5	1/1
Mr. Li Xintian	5/5	1/1
Mr. Zhang Weining	5/5	1/1
Mr. Mao Rui	5/5	1/1

Note:

On 27 March 2025, Mr. Jeffrey Lyndon Ko has resigned as a Director of the Company, a member of the Remuneration and Appraisal Committee and a member of the Strategy Committee due to work reallocation, with a view to concentrating on handling overseas business matters of the Group.

BOARD COMMITTEES

As described above, the Board has established four Board Committees, each of which has been delegated responsibilities and reports back to the Board: Audit Committee, Nomination Committee, Remuneration and Appraisal Committee, and Strategy Committee. The roles and functions of these committees are set out in their respective terms of reference. The terms of reference of each of these committees will be revised from time to time to ensure that they continue to meet the needs of the Company and to ensure compliance with the CG Code. The terms of reference of the Audit Committee, the Nomination Committee, the Remuneration and Appraisal Committee and the Strategy Committee are available on the Company's website and the HKEX's website.

Audit Committee

The Audit Committee comprises four members, three independent non-executive Directors, namely Mr. Zhang Weining (Chairman), Ms. Yu Bin, Mr. Li Xintian, and one non-executive Director, Mr. Zhang Han.

The principal duties of the Audit Committee are as follows:

1. Being primarily responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor, and considering any questions of its resignation or dismissal;
2. Monitoring the integrity of the Group's financial statements, annual reports and accounts, half year reports and, if prepared for publication, quarterly reports, and reviewing significant financial reporting judgments contained in them;
3. Reviewing the Group's financial controls, risk management and internal control systems; and
4. Discussing the risk management and internal control systems with the senior management, and ensuring that the senior management has performed its duties to have effective systems and to review annually the effectiveness, adequacy and appropriateness of those systems. This review should include the adequacy of resources, staff qualifications and experience, training programs and budgets of the Group's accounting and financial reporting functions.

The code provision D.3.3(e)(i) of the CG Code provides that the terms of reference of the Audit Committee shall have the terms that the members of the Audit Committee should liaise with the Board and senior management and the Audit Committee must meet at least twice a year with the Company's Auditor. The Company has complied with the code provision D.3.3(e)(i) of the CG Code during the Reporting Period.

The Audit Committee has fully complied with its terms of reference. During the Reporting Period, 3 Audit Committee meetings were held, the attendance of members of the Audit Committee at the meetings is set out in the following table:

Directors	**Attended/Eligible to Attend**
Mr. Zhang Weining *(Chairman)*	3/3
Ms. Yu Bin	3/3
Mr. Li Xintian	3/3
Mr. Zhang Han	3/3

During the Reporting Period, the Audit Committee discussed and considered the following matters:

1. Reviewed the Group's annual results for the year ended 31 December 2024 and the audit report prepared by the Company's Auditor relating to accounting issues and major findings during the audit process;
2. Reviewed the financial reporting system, risk management and internal control systems (including the adequacy of resources, staff qualifications and experience, and the sufficiency of training programmes and related budgets);
3. Discussed the re-appointment arrangement of the Company's Auditor and reviewed the Auditor's fees;
4. Discussed, reviewed, and approved the engagement of the Auditor to provide non-audit services and considered authorising the Company's management to decide and handle non-audit service matters with a single total service amount not exceeding RMB1 million;
5. Discussed and reviewed the unaudited interim financial statements for the six months ended 30 June 2025; and
6. Planned to convene a meeting covering the engagement with external auditor, and the nature and scope of the audit and reporting responsibilities before the annual audit commences.

Nomination Committee

The Nomination Committee currently comprises five members, including two executive Directors, namely Mr. Chen Xiangyu (Chairman) and Mr. Guan Song, and three independent non-executive Directors, namely Ms. Yu Bin, Mr. Li Xintian and Mr. Zhang Weining.

The principal duties of the Nomination Committee are as follows:

1. Reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
2. Making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman and the chief executive. The Nomination Committee shall make recommendations on appointment of Directors with due regard to the Board Diversity Policy of the Company and in accordance with the challenges and opportunities faced by the Company;
3. Identifying individuals suitably qualified to become Board members and selecting or making recommendations to the Board on the selection of individuals nominated for directorship;
4. Assessing the independence of independent non-executive Directors; and
5. Before making any appointment recommendations to the Board, evaluating the balance of Directors based on (including but not limited to) gender, age, cultural and educational background, professional and industry experience, and, in the light of such evaluation preparing a description of the roles and capabilities required for a particular appointment.

The Nomination Committee assesses the candidate or incumbent on criteria such as character, integrity, experience, skill and ability to commit time and effort to carry out the duties and responsibilities. The recommendation of the Nomination Committee will then be put to the Board for decision.

The Nomination Committee has fully complied with its terms of reference. During the Reporting Period, 1 Nomination Committee meeting was held, the attendance of members of the Nomination Committee at the meeting is set out in the following table:

Directors	Attended/Eligible to Attend
Mr. Chen Xiangyu *(Chairman)*	1/1
Mr. Guan Song	1/1
Ms. Yu Bin	1/1
Mr. Li Xintian	1/1
Mr. Zhang Weining	1/1

The following is a summary of the work performed by the Nomination Committee for the Reporting Period:

1. reviewed size, structure and composition of the Board and made recommendations to the Board on re-election of Directors;
2. reviewed the Board Diversity Policy; and
3. reviewed the independence of the independent non-executive Directors.

Remuneration and Appraisal Committee

The Remuneration and Appraisal Committee currently comprises four members, including three independent non-executive Directors, namely Ms. Yu Bin (Chairman), Mr. Li Xintian and Mr. Zhang Weining, and one executive Director, namely Mr. Yang Jialiang.

The principal duties of the Remuneration and Appraisal Committee include the following:

1. to make recommendations to the Board on the Company's remuneration policy and structure and on the establishment of a formal and transparent procedure for developing remuneration policy;
2. to evaluate the performance of the Directors and senior management and determine their remuneration packages (including benefits in kind, pension rights and compensation payments), with delegated responsibility;
3. to consider salaries paid by comparable companies, time and responsibilities involved and employment conditions elsewhere in the Group in respect of specific positions;
4. to review and make recommendations to the Board on the adoption and amendment of the share award scheme of the Company; and
5. to review and/or approve the matters related to the share scheme as mentioned in Chapter 17 of the Listing Rules.

The Remuneration and Appraisal Committee has fully complied with its terms of reference. During the Reporting Period, 2 Remuneration and Appraisal Committee meetings were held, and the attendance of members of the Remuneration and Appraisal Committee at the meeting is set out in the following table:

Directors	Attended/Eligible to Attend
Ms. Yu Bin *(Chairman)*	2/2
Mr. Li Xintian	2/2
Mr. Zhang Weining	2/2
Mr. Jeffrey Lyndon Ko	1/2
Mr. Yang Jialiang	2/2

Note:

On 27 March 2025, Mr. Jeffrey Lyndon Ko has resigned as a Director of the Company, a member of the Remuneration and Appraisal Committee and a member of the Strategy Committee due to work reallocation, with a view to concentrating on handling overseas business matters of the Group.

The following is a summary of the work performed by the Remuneration and Appraisal Committee for the Reporting Period:

1. reviewed the remuneration policy of the Group;
2. reviewed and made recommendations to the Board on the remuneration packages of the Directors and senior management; and
3. reviewed the Pre-IPO RSU Scheme of the Company, 2023 Share Incentive Scheme, and 2023 New Share Option Scheme, considered the consistency between the purpose of such schemes and the development objectives of the Group, and reviewed their implementation.

Strategy Committee

The Strategy Committee currently comprises five members, including two executive Directors, namely Mr. Chen Xiangyu (Chairman) and Mr. Guan Song, one non-executive Director, namely Mr. Yang Ming, and two independent non-executive Directors, namely Mr. Zhang Weining and Mr. Mao Rui.

The principal duties of the Strategy Committee include the following:

1. researching and making recommendations to the Board on the long-term development strategies and plans of the Company;
2. researching and making recommendations to the Board on the major financing plans of the Company and other major strategic issues influencing the development of the Company; and
3. reviewing the implementation of the above matters.

The Strategy Committee is responsible to the Board and shall submit its proposals to the Board for examination and decision.

The Strategy Committee has fully complied with its terms of reference. During the Reporting Period, 1 Strategy Committee meeting was held, and the attendance of members of the Strategy Committee at the meeting is set out in the following table:

Directors	Attended/Eligible to Attend
Mr. Chen Xiangyu (Chairman)	1/1
Mr. Guan Song	1/1
Mr. Jeffrey Lyndon Ko	1/1
Mr. Yang Ming	1/1
Mr. Zhang Weining	1/1
Mr. Mao Rui	1/1

Note:

On 27 March 2025, Mr. Jeffrey Lyndon Ko has resigned as a Director of the Company, a member of the Remuneration and Appraisal Committee and a member of the Strategy Committee due to work reallocation, with a view to concentrating on handling overseas business matters of the Group.

The following is a summary of the work performed by the Strategy Committee for the Reporting Period:

1. reviewed the implementation of the development strategies and plans of the Company for 2024; and
2. discussed the development strategies and plans of the Company for 2025.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries of all Directors, each of the Directors has confirmed that he/she has complied with the required standards as set out in the Model Code for the Reporting Period.

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements for the year ended 31 December 2025 which give a true and fair view of the affairs of the Company and of the Company's results and cash flows.

The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval. During the Reporting Period, the Company provides all members of the Board with monthly updates on the Company's performance, positions and prospects.

The Directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern.

The statement by the Auditors regarding their reporting responsibilities on the audited consolidated financial statements of the Company is set out in the Independent Auditor's Report on pages 85 to 91 of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and continuously monitoring the effectiveness of the Company's risk management and internal control systems, including but not limited to material risks relating to environmental, social and governance, to safeguard the Company's assets and shareholders' interests.

To ensure the effectiveness of the risk management and internal control systems, the Company has adopted the "Three Lines of Defence" for internal control, and established organization structure of risk management and internal control based on the actual facts of the Company and under the supervision and guidance of the Board.

First Line of Defence

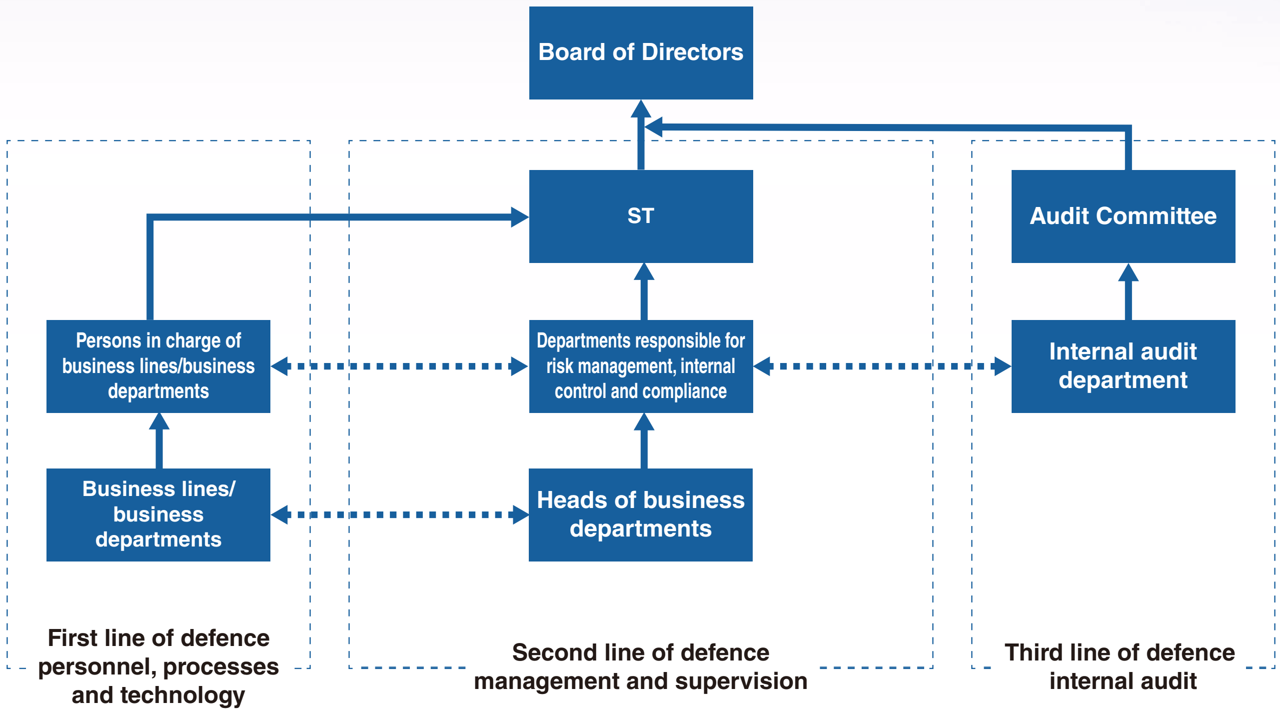
The first line of defence consists of various business lines/business departments at the grassroots level of the Company, which are responsible for designing and implementing relevant controls to cope with risks, and the heads of various departments report to the ST (senior management).

Second Line of Defence

The second line of defence is mainly composed of the departments responsible for risk management, internal control and compliance and heads of each business department, who shall report to the ST (senior management) and accept the supervision and management of the ST (senior management) to ensure the effective implementation of the risk management and internal control work of the first line of defence.

Third Line of Defence

The third line of defence is composed of the Internal Audit Department, which is responsible for collecting business process information from the management and two lines of defence, and carrying out corresponding audit work on major risks to evaluate the effectiveness of the Company's risk management and internal control systems. The Internal Audit Department reports to the Audit Committee and the ST (senior management) in a two-way and independent manner, and is highly independent.



The "Three Lines of Defence" model is designed to manage the risk of failure to achieve business objectives, not completely eliminate the risk of failure to achieve our business strategy, and to provide reasonable but not absolute assurance against material misstatement or loss.

Through the implementation of the "Three Lines of Defence" model, the Company instils a management mindset in all employees by incorporating risk management and internal control elements in their daily duties to promote their risk management awareness.

The Board and the management attach great importance to the Company's risk management and internal control systems. In 2025, the Company continued to improve the internal management system and promote the implementation of the system to enhance the risk management and internal control system and ensure the soundness and effectiveness of the internal control system.

During the year ended 31 December 2025, the Board has reviewed and confirmed that the Company's risk management and internal control systems are sound and effective at least annually. The review covered key controls, including financial, operational, compliance controls, risk management and ESG-related functions. At the same time, the Group's internal audit function continues to adopt a risk-oriented audit approach to ensure that the audit scope takes into account major concerns and major risks, and formulates improvement plans for identified loopholes and follows up regularly to ensure that improvement measures are implemented.

The Company has formulated policies to promote and support anti-corruption laws and regulations. The Internal Audit Department is responsible for receiving reports through multiple channels, following up and investigating suspected fraud cases in a timely manner, and also assisting the management to carry out cultural publicity related to anti-corruption and integrity.

Material Risks

With the changes in the external environment and the development of the Company's business, through the following risk management processes, the key risks concerned by the management in 2025 include the risk related to games going global and expansion, the risk related to new product introduction and long-term product innovation and cash liquidity risk.

1. Risk Identification	2. Risk Assessment	3. Responses to Risks	4. Risk Reporting
Identify the risks faced by the Company by risk types including strategy, market, operation, finance and legal, environmental, social and governance.	Understand and evaluate the impact and possibility of risks in response to the Company's risks, and design questionnaires to assess the adequacy of the Company's policies and controls.	Provide optimisation suggestions for the identified risks and assist the business departments or relevant persons in charge to make corresponding rectification.	Report to the Board and senior management and implement relevant rectification.

The Audit Committee, on behalf of the Board, monitors the overall risk profile of the Company and evaluates the changes in the nature and severity of the Company's key risks. The Audit Committee is of the view that appropriate measures have been taken by the management to address and manage the key risks to a level acceptable to the Board.

The key risks currently faced by the Company and the risk response measures implemented are summarised below.

1. Product commercialization risks

A product's sustained commercial viability depends on a robust pipeline of high-quality products, continuous iteration of content, gameplay innovation, and ongoing optimization of operational strategies.

The Company adheres to a long-term operational philosophy and continuously strengthens its product commercialization capabilities. We have established mechanisms for user research, new product reviews, and product quality evaluations to continuously expand our product pipeline. Through measures such as version updates, gameplay expansion, IP collaborations, and optimization of monetization modules, we are constantly improving product retention rates and monetization conversion rates. Concurrently, the Company continuously enhances product positioning research during the R&D, publishing, and commercialization phases. By integrating user feedback with data validation, we implement operational strategies that include phased testing, gradual scaling, and dynamic optimization.

2. User attraction and retention risks

Revenue from the gaming business is closely tied to factors such as user base size, user activity, and spending levels. The ability to acquire and retain users is a critical foundation for supporting long-term product operations and commercial performance. As the industry continues to see a growing abundance of content supply and increasingly diverse user demands, certain mature products of the Company, having entered their long-term operational phase, are facing higher requirements in terms of content updates, event operations, community ecosystem development, and refined service capabilities. At the same time, as user acquisition channels and content consumption scenarios continue to diversify, products require ongoing investment and optimization in user acquisition, engagement enhancement, and long-term retention.

The Company is continuously refining its user acquisition and retention systems. Through collaborations with domestic and international publishers and co-operation partners, multi-channel user acquisition campaigns, and optimized advertising strategies, we are consistently improving user reach and acquisition efficiency; simultaneously, by deepening community operations, encouraging user-generated content, conducting ongoing player surveys, implementing frequent version updates, and organizing online and offline user events, we continuously enhance user engagement, product experience, and willingness to pay. Combined with multi-channel feedback monitoring and response mechanisms, we promptly identify and address user needs to improve user activity and long-term retention performance.

3. Cash liquidity risks

Game product development involves long cycles and high costs; the long-term refinement of games requires stable financial support. The Company prioritizes cash liquidity and continuously monitors cash flow to provide sustained financial support and assurance for its long-term operational strategy.

The Company has established a dynamic cash flow monitoring mechanism and adheres to prudent financial management policies. Through rolling cash flow budgets and funding plans, we conduct dynamic analyses of the Company's revenue, costs, and expenses. By optimizing our business model and implementing risk mitigation measures at the front end of operations, we aim to reduce the proportion of accounts receivable and ensure a stable, high-quality cash flow.

The Board believes that the Company's accounting, financial reporting and ESG performance and reporting functions have been performed by staff with appropriate qualifications and experience, and such staff have received appropriate and sufficient training and development. Based on the work report from the Audit Committee, the Board also believes that the Company's internal audit function is adequately resourced and has sufficient budget. The relevant employees have appropriate qualifications and experience, and have obtained sufficient training and development.

Inside Information Internal Control

The Company has put in place procedures for disclosure of inside information. The Capital Market Department is responsible for identifying and evaluating any material information in a timely manner. If the material information is identified as inside information, the Capital Market Department shall promptly report to the Board and propose to disclose such information as soon as possible in accordance with the relevant provisions of the SFO and the Listing Rules, and take appropriate measures to keep the inside information confidential until the inside information is appropriately disclosed.

DIVIDEND POLICY

Subject to the Cayman Companies Act and the Memorandum and Articles of Association, the Company in general meeting may declare dividends in any currency but no dividends shall exceed the amount recommended by the Board.

The dividends, interests and bonuses and any other benefits and advantages in the nature of income receivable in respect of the Company's investments, and any commissions, trusteeship, agency, transfer and other fees and current receipts of the Company shall, subject to the payment thereout of the expenses of management, interest upon borrowed money and other expenses which in the opinion of the Board are of a revenue nature, constitute the profits of the Company available for distribution.

AUDITOR'S REMUNERATION

The remuneration for the services provided by the Auditor to the Company for the year ended 31 December 2025 is approximately as follows:

Type of Services	**Amount** *(RMB)*
Audit services	3,950
Non-audit services	
— Agreed-upon procedures services for results announcement	5
— Auditors' letter on the Group's continuing connected transactions for 2025	5
— Consultation services for the ESG report of the Group for 2025	260
— Hong Kong profits tax compliance service	25
Total non-audit services	295
Total	**4,245**

JOINT COMPANY SECRETARIES

Ms. Tang Xu ("**Ms. Tang**") has been appointed as a joint company secretary, and is responsible for advising the Board on corporate governance matters and ensuring that the Board policies and procedures, as well as the applicable laws, rules and regulations are followed.

For the year ended 31 December 2025, in order to uphold good corporate governance and ensure compliance with the Listing Rules and applicable Hong Kong laws, the Company also engages Ms. Ng Ka Man ("**Ms. Ng**"), a senior manager of TMF Hong Kong Limited (a company secretarial service provider), as another joint company secretary to assist Ms. Tang to discharge her duties as a company secretary of the Company. Her primary corporate contact person at the Company is Ms. Tang.

For the year ended 31 December 2025, each of Ms. Tang and Ms. Ng has undertaken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

SHAREHOLDERS' COMMUNICATION POLICY

To promote effective communication with shareholders, the Company has adopted a Shareholders' Communication Policy which is available on the Company's website. Under the policy, the Company communicates with its shareholders in a timely and effective manner through various channels. Corporate Communications in electronic form are available at the HKExnews website of the HKEX and the Company's website at any time. In addition to regular reports, the Company also makes announcements from time to time, including voluntary announcements on business progress in response to shareholders' concerns on business progress.

The Company regards the AGM as an important opportunity for direct communication with the shareholders. The Chairman of the Company and the chairmen of the Board Committees of the Company will attend the AGMs to answer shareholders' questions. The Auditor will also attend the AGMs to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence. The Company encourages the shareholders to attend AGMs and other general meetings, which allow the shareholders to communicate with the Board, and exercise their right to vote.

To safeguard the interests of the shareholders as a whole, the Company has adopted an inside information management policy which sets out the procedures and internal control systems for the handling and dissemination of inside information. The policy provides guidelines to the Directors, senior management and all employees to ensure that inside information is not disseminated in advance and individually by adopting necessary confidentiality measures and procedures. The Company also pays close attention to the news reports on the Company in the market and clarifies false information in a timely manner.

The effectiveness of the Shareholders' Communication Policy is reviewed on a regular basis. As at the date of this report, the Board has reviewed the implementation of the Shareholders' Communication Policy for Reporting Period and confirmed that it remains effective.

INVESTOR RELATIONS

The Company considers that effective communication with the investors is essential for enhancing investor relations and understanding the Company's business, performance and strategies. The Company also believes in timely and non-selective disclosure of information, which will enable shareholders and investors to make informed investment decisions.

Investors may access the Company's corporate communications on the HKExnews website and the "Investor Relations" section of the Company's official website. In addition, the Company holds results announcement activities after the publication of annual results and interim results announcement each year. Some Directors and senior management will attend the launch event to communicate directly with shareholders and investors.

The Company has also set up an investor contact email: ir@idreamsky.com. Investors, stakeholders and the public are welcome to provide valuable advice and make enquiries.

SHAREHOLDERS' RIGHTS

To safeguard shareholders' interests and rights, a separate resolution will be proposed for each issue at general meetings, including the election of individual Directors.

All resolutions put forward at general meetings will be voted by poll pursuant to the Listing Rules and the poll results will be posted on the websites of the HKEX and the Company in a timely manner after each general meeting.

Convening of Extraordinary General Meeting and Putting Forward Proposals

Shareholders may put forward proposals for consideration at a general meeting of the Company according to the Memorandum and Articles of Association. Any one or more members holding as at date of deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company (calculated on the basis of one vote per share in the share capital of the Company) shall at all times have the right, by written requisition to the Board or any one of the Joint Company Secretaries of the Company, to require an extraordinary general meeting of the Company to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting, the requisitioner(s) himself/herself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitioner(s) as a result of the failure of the Board shall be reimbursed to the requisitioner(s) by the Company.

As regards proposing a person for election as a Director by shareholders, the procedures are available on the website of the Company.

Right of Enquiry

Shareholders may at any time send their enquiries and concerns to the Board in writing through the Joint Company Secretary of the Company whose contact details are as follows: 16/F, Unit 3, Block A, Kexing Science Park, Ke Yuan North Road, Nanshan, Shenzhen, the PRC.

Shareholders could post their enquiries about their shareholdings to the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

CHANGE IN CONSTITUTIONAL DOCUMENTS

The Company has adopted the amended Memorandum and Articles of Association that were considered and approved at the Board meeting dated 30 March 2023. During the Reporting Period, there were no changes to the Memorandum and Articles of Association.

To the Shareholders of iDreamSky Technology Holdings Limited
(incorporated in the Cayman Islands with limited liability)

Opinion

What we have audited

The consolidated financial statements of iDreamSky Technology Holdings Limited (the "**Company**") and its subsidiaries (the "**Group**"), which are set out on pages 92 to 213, comprise:

- the consolidated statement of financial position as at 31 December 2025;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("**ISAs**"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Hong Kong Institute of Certified Public Accountants (the "**Code**"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

- Revenue recognition — estimation of Player Relationship Period
- Recoverability of intangible assets — game intellectual properties and licenses and prepayments — prepaid revenue sharing to content providers

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue recognition — estimation of Player Relationship Period Refer to notes 2.2(l), 4(a) and 6 to the consolidated financial statements. For the year ended 31 December 2025, the Group's revenue from game business amounted to RMB1,199,309,000 representing 89.6% of the Group's total revenues. The revenue was mainly derived from the sales of in-game virtual items. The Group recognizes the revenue from sales of in-game virtual items ratably over the lifespan of in-game virtual items determined by management with reference to the average expected playing period of paying players ("**Player Relationship Period**") for Role-Playing Game mobile games and certain casual mobile games. We focus on this area due to the fact that management applied significant judgements in determining the Player Relationship Period. These judgements included (i) the determination of key assumptions applied in the calculation of Player Relationship Period, including historical users' consumption patterns, churn rates, reactivity on marketing activities and game life-cycle; (ii) the identification of events that may trigger changes in the expected Player Relationship Period.	Our procedures performed in relation to the estimation of lifespan of in-game virtual items included: — We obtained an understanding of management's internal control over assessment process of the estimation of the lifespan of in-game virtual items, and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty, complexity, subjectivity and change. — We evaluated and tested, on a sample basis, the key controls in respect of the estimation of lifespan of in-game virtual items, including management's review and approval of (i) determination of the estimated Player Relationship Period; and (ii) changes in the estimated Player Relationship Period based on periodic reassessment on any indications triggering such changes. We also assessed, with the involvement of our IT specialist, the integrity of data generated from the Group's information system supporting the management's review, including testing the information system logic for generation of reports, and checking, on a sample basis, the monthly computation of revenue recognized on selected games based on reports generated from the Group's information system.

Key Audit Matter	How our audit addressed the Key Audit Matter
	— We assessed, with the involvement of our IT specialist, the reasonableness of the expected Player Relationship Period adopted by management by testing, on a sample basis, the reliability of the data generated from the information systems regarding the historical users' consumption patterns and checking the calculation of the churn rates. We also evaluated the consideration made by management in determining the reactivity of marketing activities and game life-cycle for expected Player Relationship Period with reference to historical operating and marketing data of the relevant games. We also assessed, on a sample basis, the historical accuracy of the management's estimation by comparing the actual Player Relationship Period for the mobile games for the current year against the original estimation of Player Relationship Period of those games made in the prior years. — We understood the process for which management identified events that might trigger changes in the expected Player Relationship Period, and assessed if those changes have been reflected in management's Player Relationship Period estimation in the current year. Based on the above, we considered that the significant judgments and estimates made by management were supportable by the evidence obtained and procedures performed.

Key Audit Matter	How our audit addressed the Key Audit Matter
Recoverability of intangible assets — game intellectual properties and licenses and prepayments — prepaid revenue sharing to content providers Refer to notes 2.2(c), 4(d), 4(e), 17 and 22 to the consolidated financial statements. As of 31 December 2025, the net book value of the Group's intangible assets — game intellectual properties and licenses and prepayments — prepaid revenue sharing to content providers (namely, the "**Game Related Intangible Assets**") amounted to RMB1,218,239,000 and RMB462,151,000 respectively. An impairment loss of RMB1,636,000 and RMB995,000, respectively, was recognized during for the year ended 31 December 2025. Management exercised significant judgment in assessing the impairment of the Game Related Intangible Assets. In making such assessment, management considered all factors that may affect the future development and launch plans, and exercised judgment in developing its expectation for the future cash flows from these games. We focus on auditing the impairment of Game Related Intangible Assets because the estimation of the recoverable amount is subject to significant assumptions used including the estimated revenue, distribution costs and other related expenses.	Our procedures performed in relation to the impairment assessment of intangible assets — game intellectual properties and licenses and prepayments — prepaid revenue sharing to content providers included: — We assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity, subjectivity, changes and susceptibility to management bias. — We understood and evaluated the internal controls over the impairment assessment of Game Related Intangible Assets, including the determination of appropriate impairment approaches, valuation models and assumptions and the calculation of impairment provisions. — For games already launched and operated, we evaluated the historical accuracy of impairment assessment to assess the effectiveness of management's estimation process by comparing the expected cash flow in the prior period against the respective actual performance during the year, insuring material differences identified were already considered in the current impairment assessment when applicable. — For games for which the development is yet to be completed, we examined the contracts to check the validity of the purchased Game Related Intangible Assets, discussed with the management to understand their future development and launch plans.

Key Audit Matter	How our audit addressed the Key Audit Matter
	— We discussed with management to understand the basis of the estimated cash flow projections and evaluated the reasonableness of the estimated revenue, channel costs and other related expenses prepared by management. — We tested the mathematical accuracy of the calculations of the estimated future net cash flows of games. — We assessed the adequacy of the disclosures related to impairment assessment of Game Related Intangible Assets. Based on the above, we considered that the significant judgments and estimates made by management were supportable by the evidence obtained and procedures performed.

Other Information

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and the Audit Committee for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Cecilia, Lai Ting Yau.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 30 March 2026

Consolidated Statement of Comprehensive Income

	Note	Year ended 31 December 2025 RMB'000	2024 RMB'000
Revenues	6	**1,338,089**	1,513,644
Cost of revenues	7	**(805,693)**	(1,086,855)
Gross profit		**532,396**	426,789
Selling and marketing expenses	7	**(232,152)**	(196,485)
General and administrative expenses	7	**(94,473)**	(126,498)
Research and development expenses	7	**(82,944)**	(165,164)
Impairment losses on intangible assets	7	**(1,636)**	(9,972)
Net impairment losses on financial assets	3.1 & 21	**(65,815)**	(185,735)
Other income	8	**14,932**	12,409
Other losses, net	9	**(18,530)**	(19,304)
Fair value losses on financial assets at fair value through profit or loss	20	**(30,109)**	(81,400)
Operating profit/(loss)		**21,669**	(345,360)
Finance income	11	**2,844**	3,861
Finance costs	11	**(58,985)**	(110,025)
Finance costs, net	11	**(56,141)**	(106,164)
Share of results of investments accounted for using the equity method	19	**64,916**	(17,097)
Impairment of investments accounted for using the equity method	19	**(7,345)**	(105,496)
Profit/(Loss) before income tax		**23,099**	(574,117)
Income tax (expense)/credit	12	**(3,181)**	29,513
Profit/(Loss) for the year		**19,918**	(544,604)
Other comprehensive loss			
Items that will not be reclassified to profit or loss			
— Currency translation differences		**(53,135)**	30,894
Items that may be reclassified to profit or loss			
— Currency translation differences		**40,906**	(12,238)
Total comprehensive profit/(loss) for the year		**7,689**	(525,948)

	Note	Year ended 31 December 2025 RMB'000	2024 RMB'000
Profit/(loss) for the year attributable to			
— Owners of the Company		**15,940**	(528,827)
— Non-controlling interests		**3,978**	(15,777)
		19,918	(544,604)
Total comprehensive profit/(loss) attributable to:			
— Owners of the Company		**3,711**	(510,171)
— Non-controlling interests		**3,978**	(15,777)
		7,689	(525,948)
Earnings/(losses) per share			
— Basic profits/(losses) per share (in RMB)	*13*	**0.01**	(0.33)
— Diluted profits/(losses) per share (in RMB)	*13*	**0.01**	(0.33)

The notes on pages 99 to 213 are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

		As of 31 December	
		2025	2024
	Note	***RMB'000***	*RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment	*14*	**174,358**	132,118
Intangible assets	*17*	**1,218,722**	1,085,942
Investment properties	*16*	**5,635**	6,075
Right-of-use assets	*15*	**80,533**	79,672
Investments accounted for using the equity method	*19*	**223,134**	187,755
Financial assets at fair value through profit or loss	*20*	**273,841**	296,661
Prepayments and other receivables	*22*	**150,169**	121,960
Deferred tax assets	*34*	**111,823**	113,000
		2,238,215	2,023,183
Current assets			
Trade receivables	*21*	**207,037**	158,414
Prepayments and other receivables	*22*	**931,426**	1,070,195
Contract costs	*33*	**16,849**	49,143
Financial assets at fair value through profit or loss	*20*	**11,429**	27,180
Restricted cash	*24*	**31,879**	65,179
Cash and cash equivalents	*23*	**187,907**	196,926
		1,386,527	1,567,037
Total assets		**3,624,742**	3,590,220
Equity attributable to owners of the Company			
Share capital, share premium and treasury shares	*25*	**4,258,522**	3,968,136
Reserves	*26*	**967,539**	971,254
Accumulated losses		**(3,551,622)**	(3,565,735)
		1,674,439	1,373,655
Non-controlling interests		**85,691**	81,713
Total equity		**1,760,130**	1,455,368

	Note	As of 31 December 2025 RMB'000	2024 RMB'000
LIABILITIES			
Non-current liabilities			
Borrowings	*28*	**130,314**	123,329
Lease liabilities	*15*	**7,254**	—
Convertible bonds	*29*	**284,207**	275,608
		421,775	398,937
Current liabilities			
Borrowings	*28*	**885,573**	946,746
Lease liabilities	*15*	**4,278**	7,753
Trade payables	*30*	**178,817**	378,765
Other payables and accruals	*31*	**168,170**	157,305
Financial liabilities at fair value through profit or loss	*32*	**142,784**	126,201
Contract liabilities	*33*	**52,539**	107,469
Current income tax liabilities		**10,676**	11,676
		1,442,837	1,735,915
Total liabilities		**1,864,612**	2,134,852
Total equity and liabilities		**3,624,742**	3,590,220

The notes on pages 99 to 213 are an integral part of these consolidated financial statements.

The consolidated financial statements on pages 92 to 213 were approved by the Board of Directors on 30 March 2026 and were signed on its behalf.

Chen Xiangyu
Director

Guan Song
Director

Consolidated Statement of Changes in Equity

	Note	Attributable to owners of the Company								
		Share capital, share premium and treasury shares	Capital reserves	Statutory reserves	Translation differences	Other reserves	Accumulated losses	Total	Non-controlling interests	Total equity
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2025		**3,968,136**	**261,455**	**104,100**	**93,713**	**511,986**	**(3,565,735)**	**1,373,655**	**81,713**	**1,455,368**
Profit for the year		**–**	**–**	**–**	**–**	**–**	**15,940**	**15,940**	**3,978**	**19,918**
— Currency translation differences	26	**–**	**–**	**–**	**(12,229)**	**–**	**–**	**(12,229)**	**–**	**(12,229)**
Total comprehensive profit for the year		**–**	**–**	**–**	**(12,229)**	**–**	**15,940**	**3,711**	**3,978**	**7,689**
Transactions with owners										
Profit appropriation to statutory reserves	26	**–**	**–**	**1,827**	**–**	**–**	**(1,827)**	**–**	**–**	**–**
Share-based compensation expenses	27	**–**	**–**	**–**	**–**	**6,687**	**–**	**6,687**	**–**	**6,687**
Issuance of ordinary shares	25	**328,155**	**–**	**–**	**–**	**–**	**–**	**328,155**	**–**	**328,155**
Acquisition of treasury shares	25	**(37,769)**	**–**	**–**	**–**	**–**	**–**	**(37,769)**	**–**	**(37,769)**
Total transactions with owners		**290,386**	**–**	**1,827**	**–**	**6,687**	**(1,827)**	**297,073**	**–**	**297,073**
Balance at 31 December 2025		**4,258,522**	**261,455**	**105,927**	**81,484**	**518,673**	**(3,551,622)**	**1,674,439**	**85,691**	**1,760,130**
Balance at 1 January 2024		3,745,616	261,455	103,444	75,057	496,417	(3,036,252)	1,645,737	97,490	1,743,227
Loss for the year		–	–	–	–	–	(528,827)	(528,827)	(15,777)	(544,604)
Other comprehensive loss										
— Currency translation differences	26	–	–	–	18,656	–	–	18,656	–	18,656
Total comprehensive loss for the year		–	–	–	18,656	–	(528,827)	(510,171)	(15,777)	(525,948)
Transactions with owners										
Profit appropriation to statutory reserves	26	–	–	656	–	–	(656)	–	–	–
Share-based compensation expenses	27	–	–	–	–	15,569	–	15,569	–	15,569
Issuance of ordinary shares	25	232,571	–	–	–	–	–	232,571	–	232,571
Acquisition of treasury shares	25	(10,051)	–	–	–	–	–	(10,051)	–	(10,051)
Cancellation of shares	25	–	–	–	–	–	–	–	–	–
Total transactions with owners		222,520	–	656	–	15,569	(656)	238,089	–	238,089
Balance at 31 December 2024		3,968,136	261,455	104,100	93,713	511,986	(3,565,735)	1,373,655	81,713	1,455,368

The notes on pages 99 to 213 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

	Note	Year ended 31 December 2025 RMB'000	2024 RMB'000
Cash flows from operating activities			
Cash generated from operations	*35(a)*	**70,272**	154,949
Income taxes paid		**(3,007)**	(3,273)
Net cash generated from operating activities		**67,265**	151,676
Cash flows from investing activities			
Proceeds from disposals of property, plant and equipment	*35(a)*	**106**	—
Purchase of property, plant and equipment		**(4,584)**	(15,211)
Purchase/prepayment of intangible assets		**(169,271)**	(255,777)
Loans to related parties	*37(b)*	**(1,600)**	(4,895)
Repayment of loans due from related parties	*37(b)*	**—**	5,733
Loans to shareholders		**(5,871)**	(49,579)
Repayment of loans due from shareholders		**1,300**	1,335
Loans to third parties		**(9,922)**	(120,050)
Repayment of loans due from third parties		**76,521**	55,915
Investments in financial assets at fair value through profit or loss		**—**	(3,000)
Proceeds from disposal of financial assets at fair value through profit or loss		**8,034**	845
Proceeds from disposal of investments in associates and joint ventures		**19,146**	22,500
Repayments of Financial liabilities at fair value through profit or loss	*3.3(c)*	**(5,000)**	—
Net cash used in investing activities		**(91,141)**	(362,184)

	Note	Year ended 31 December 2025 RMB'000	2024 RMB'000
Cash flows from financing activities			
Proceeds from borrowings		**1,090,920**	1,188,738
Repayment of borrowings		**(1,145,108)**	(1,080,341)
Payments for share repurchase	*25*	**(24,393)**	(10,051)
Changes in restricted cash		**33,937**	(27,667)
Principal elements of lease payments		**(11,458)**	(12,709)
Interest expenses paid		**(55,209)**	(73,481)
Net proceeds from issuance of new shares	*25*	**126,169**	232,571
Net cash generated in financing activities		**14,858**	217,060
Net (decrease)/increase in cash and cash equivalents		**(9,018)**	6,552
Cash and cash equivalents at the beginning of the financial year		**196,926**	190,429
Effects of exchange rate changes on cash and cash equivalents		**(1)**	(55)
Cash and cash equivalents at the end of the year		**187,907**	196,926

The notes on pages 99 to 213 are an integral part of these consolidated financial statements.

1 General information and basis of preparation

1.1 General information

iDreamSky Technology Holdings Limited (the "**Company**") was incorporated in the Cayman Islands on 3 January 2018 as an exempted company with limited liability. The address of the Company's registered office is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries, including structured entities (collectively, the "**Group**") are principally engaged in game development and operating in the People's Republic of China (the "**PRC**" or "**China**").

The shares of the Company have been listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "**HKEX**") since 6 December 2018.

This consolidated financial statements for the year ended 31 December 2025 are presented in Renminbi ("**RMB**"), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 30 March 2026.

1.2 Basis of preparation

(a) Compliance with all applicable International Financial Reporting Standards as issued by the IASB "("IFRS Accounting Standards")" and the Hong Kong Companies Ordinance

The consolidated financial statements of the Group have been prepared in accordance with all applicable IFRS Accounting Standards and requirements of the Hong Kong Companies Ordinance Cap. 622.

The preparation of the consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4 below.

(b) Historical cost convention

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss, which are carried at fair value.

1 General information and basis of preparation (Continued)

1.2 Basis of preparation (Continued)

(c) Going concern basis

During the year ended 31 December 2025, the Group reported a net profit of RMB19,918,000. As of 31 December 2025, the Group's current liabilities exceeded its current assets by RMB56,310,000, and the Group had total borrowings amounting to RMB1,015,887,000, out of which RMB885,573,000 will be due for repayment within the next twelve months. As at 31 December 2025 the Group had unrestricted cash and cash equivalents amounted to RMB187,907,000.

The directors of the Company have carefully considered the future liquidity, the operation performance and the available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern for at least twelve months from 31 December 2025, taking into consideration the following plans and measures:

(1) Management projects to continuously improve operational efficiency and sustain cash inflows in 2026, driven by the following strategic initiatives (i) cultivating a loyal user base for existing games to reduce marketing costs and bolster cash flows. (ii) launching multiple game iterations in 2026 to generate incremental revenue streams. and (iii) strengthening partnerships to expand existing game portfolios and introduce new titles to oversea market.

(2) During 2025, the Group repaid bank borrowings totaling RMB1,145,108,000 while securing new facilities of RMB1,090,920,000. Unutilized uncommitted credit lines amounted to RMB589,209,000 as of 31 December 2025. Subsequent to the year end date, RMB139,550,000 was drawn from these facilities. The Board of Directors expresses confidence in renewing the existing facilities and securing new financing, supported by robust banking relationships and a track record of successful renewals.

(3) As at 31 December 2025, the Group is in the process of applying quotas of USD100,000,000 of foreign debt issuance to refinance certain overseas borrowings not exceeding USD50,000,000 and expand business activities up to USD50,000,000, with approval expected to be obtained from relevant government bureau in April 2026. In addition, management is also actively engaging with potential investors to explore the opportunity of placing shares. The directors believe the Group can secure funding through issuance of shares and issuance of overseas bonds or other financial arrangements as and when needed within the twelve months following 31 December 2025, in compliance with prevailing regulations.

(4) The Group has complied with the financial covenants of all relevant borrowings in 2025 and the Group will continue to implement stringent monitoring of financial covenant adherence across all borrowings. In the event of potential breaches, management will proactively engage with lenders to renegotiate terms or seek waivers, with confidence that these efforts would be successful.

1 General information and basis of preparation (Continued)

1.2 Basis of preparation (Continued)

(c) Going concern basis (Continued)

The Board of Directors has reviewed management's cash flow projections covering not less than twelve months from 31 December 2025, and concluded that anticipated operational cash flows, renewed credit facilities, unutilized banking lines, and proceeds from equity and overseas bond issuance collectively provide sufficient liquidity to meet obligations as they fall due. Consequently, the consolidated financial statements have been prepared on a going concern basis.

2 Summary of material accounting policies

The material accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 New and amended standards

(a) New and amended standards adopted by the Group

The following new standard and amendments to standards have been adopted by the Group for the first time for the financial year beginning on 1 January 2025 and the adoption of these amended standards does not have significant impact on the financial statements of the Group:

Amendments to IAS 21	Lack of Exchangeability

2 Summary of material accounting policies (Continued)

2.1 New and amended standards (Continued)

(b) New standards and interpretations not yet adopted

Certain amendments to accounting standards and interpretation have been published that are not mandatory for 31 December 2025 reporting periods and have not been early adopted by the group. As at the date of approval of these consolidated financial statements, the Group is still in the process of assessing the effects of adopting IFRS 18, IFRS 19 and these amendments and improvements to IFRS Accounting Standards. The Group will continue to assess the effects of these new and amended standards.

		Effective for annual periods beginning on or after
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvements to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards — Volume 11	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to IAS 36, IFRS 18, IAS 1, IAS 37, IAS 8, IFRS 7	Disclosures about Uncertainties in the Financial Statements–Illustrative examples	1 January 2027

2 Summary of material accounting policies (Continued)

2.2 Material accounting policies

(a) Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group refer to Note 2.3(a).

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position respectively.

The operations of the Group were mainly carried out by Shenzhen iDreamSky Technology Co., Ltd. ("**Shenzhen iDreamSky**"), a limited liability company incorporated in Shenzhen, the PRC, and its subsidiaries (the "**PRC Consolidated Affiliated Entities**").

The PRC regulations restrict foreign ownership of companies that provide the operations of games through mobile apps and websites, which include activities and services operated by Shenzhen iDreamSky. In order to enable certain foreign companies to make investments into the business of the Group, Shenzhen Qianhai iDream Technology Co., Ltd. ("**Qianhai iDream**") was established by iDreamSky Holdings (HK) Limited ("**iDreamSky Holdings (HK)**") as a Wholly Foreign Owned Enterprise (the "**WFOE**").

The WFOE has entered into various agreements ("**Contractual Arrangements**") with Shenzhen iDreamSky and its registered equity holders, which enables the WFOE and the Group to:

- Exercise effective control over the PRC Consolidated Affiliated Entities;

- Exercise equity holders' voting rights of the PRC Consolidated Affiliated Entities;

2 Summary of material accounting policies (Continued)

2.2 Material accounting policies (Continued)

(a) Principles of consolidation and equity accounting (Continued)

(i) Subsidiaries (Continued)

- Receive substantially all of the economic interests and returns generated by the PRC Consolidated Affiliated Entities in consideration for the business support, technical and consulting services provided by the WFOE, at the WFOE's discretion;

- Obtain an irrevocable and exclusive right to purchase all equity interests in Shenzhen iDreamSky from its registered equity holders at a nominal consideration unless the relevant government authorities request that another amount be used as the purchase consideration and in which case the purchase consideration shall be such amount. Where the purchase consideration is required by the relevant government authorities to be an amount other than a nominal amount, the registered equity holders of Shenzhen iDreamSky shall return the amount of purchase consideration they have received to the WFOE. At the WFOE's request, the registered equity holders of Shenzhen iDreamSky will promptly and unconditionally transfer their respective equity interests in Shenzhen iDreamSky to WFOE (or its designee within the Group) after the WFOE exercises its purchase right;

- Obtain pledges over the entire equity interests in Shenzhen iDreamSky from its registered equity holders to secure, among others, performance of their obligations under the Contractual Arrangements.

The Group does not have any equity interest in the PRC Consolidated Affiliated Entities. However, as a result of the Contractual Arrangements, the Group has rights to variable returns from its involvement with the PRC Consolidated Affiliated Entities and has the ability to affect those returns through its power over the PRC Consolidated Affiliated Entities and is considered to control the PRC Consolidated Affiliated Entities. Consequently, the Company regards the PRC Consolidated Affiliated Entities as indirect subsidiaries under IFRS Accounting Standards.

(ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iv) below), after initially being recognized at cost in the consolidated statement of financial position.

2 Summary of material accounting policies (Continued)

2.2 Material accounting policies (Continued)

(a) Principles of consolidation and equity accounting (Continued)

(iii) Joint arrangements

Under IFRS 11, Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Interests in joint ventures are accounted for using the equity method (see (iv) below), after initially being recognized at cost in the consolidated statement of financial position.

(iv) Equity method

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognized as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 2.2(d).

(v) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized in a separate reserve within equity attributable to owners of the Company.

2 Summary of material accounting policies (Continued)

2.2 Material accounting policies (Continued)

(a) Principles of consolidation and equity accounting (Continued)

(v) Changes in ownership interests (Continued)

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRS Accounting Standards.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss where appropriate.

(b) Intangible assets

(i) Computer software

Acquired computer software stated at historical cost less amortization. Acquired computer software are capitalized on the basis of the costs incurred to acquire and bring to use the specific software, and are amortized on a straight-line basis over their useful lives, from 1 to 3 years.

(ii) Game intellectual properties and licenses

Under certain exclusive games arrangements entered between the Group and the game developers, the Group pays upfront license fees to the game developers as the Group obtained the games developed by those game developers. The Group recognizes the upfront license fees as intangible assets. These intangible assets are amortized on a straight-line basis over the expected economic life, from 3 to 5 years. These amortization are recorded in cost of revenues (where the games are commercially launched) or general and administrative expenses (where the games are not yet commercially launched).

In some other circumstance, the Group prepaid the upfront license fees to game developers as the Group is entitled a right to operate third party developed games for certain period of time in certain countries. The Group recognizes the prepaid license fees as intangible assets upon the related games passed the external testing. The Group amortizes these intangible assets on a straight-line basis over the remaining license period from commercial launch of the related games. These amortization are recorded in cost of revenues.

2 Summary of material accounting policies (Continued)

2.2 Material accounting policies (Continued)

(b) Intangible assets (Continued)

(iii) Research and development expenditures

Research expenditure is recognized as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are capitalized as intangible assets when recognition criteria are fulfilled. These criteria include: (i) it is technically feasible to complete the software product so that it will be available for use; (ii) management intends to complete the software product and use or sell it; (iii) there is an ability to use or sell the software product; (iv) it can be demonstrated how the software product will generate probable future economic benefits; (v) adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and (vi) the expenditure attributable to the software product during its development can be reliably measured. Other development expenditures that do not meet those criteria are recognized as expenses as incurred.

Development costs previously recognized as expenses are not recognized as assets in subsequent periods.

(c) Impairment of non-financial assets

Goodwill and intangible assets not yet available for use are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(d) Investments and other financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and

- those to be measured at amortized cost.

2 Summary of material accounting policies (Continued)

2.2 Material accounting policies (Continued)

(d) Investments and other financial assets (Continued)

(i) Classification (Continued)

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("**FVOCI**").

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("**FVPL**"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

2 Summary of material accounting policies (Continued)

2.2 Material accounting policies (Continued)

(d) ***Investments and other financial assets*** (Continued)

(iii) *Measurement* (Continued)

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income ("**OCI**"), except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

- FVPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within fair value (losses)/gains on financial assets at fair value through profit or loss in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Group's right to receive payments is established.

2 Summary of material accounting policies (Continued)

2.2 Material accounting policies (Continued)

(d) Investments and other financial assets (Continued)

(iii) Measurement (Continued)

Equity instruments (Continued)

Changes in the fair value of financial assets at FVPL are recognized in fair value (losses)/gains on financial assets at fair value through profit or loss in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment

The Group has types of financial assets subject to IFRS 9's expected credit loss model:

- Trade receivables
- Other receivables (excluding prepayments)
- Restricted cash
- Cash and cash equivalents

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables, see Note 21 for further details.

(e) Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value. The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

The Group irrevocably designated its financial guarantee contracts as measured at fair value through profit or loss at their initial recognition.

(f) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and they are subsequently measured at fair value through profit or loss.

2 Summary of material accounting policies (Continued)

2.2 Material accounting policies (Continued)

(g) Convertible bonds

The fair value of the liability portion of a convertible bond is determined using a market interest rate for a non-convertible bond with similar terms. This amount is recorded as a liability on an amortized cost basis until conversion or maturity of the bonds. The remaining of the proceeds is allocated to the conversion option. Any directly attributable transaction costs are allocated to the liability and equity or derivative liability component in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a convertible bond is measured at amortized cost using the effective interest method. The equity component of a convertible bond is not re-measured subsequent to initial recognition except on conversion or expiry.

The convertible bonds are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liabilities for at least 12 months after the end of the reporting period.

When there is option for early redemption before maturity, the gross carrying amount of the liability component was remeasured by discounting the revised future contractual cash flows when the Group changes its estimation that the early redemption option is expected to incurred, using original effective interest rate. Any difference was recognized in profit and loss.

When the convertible bonds are repurchased through re-negotiation, the repurchase price was allocated between the liability component and the equity component on the same basis that was used in the original allocation process. The difference between the consideration payable allocated to liability component and the liability component's carry amount was recognised in profit and loss. And the difference between the consideration payable allocated to equity component and the equity component's carry amount was recognised in equity.

(h) Contract liabilities and contract costs

Contract liabilities primarily consists of the unamortized revenue from sales of game tokens and virtual items for mobile game, provision of self-developed game license to third parties and unearned revenue from information service, where there is still an implied obligation to be provided by the Group and will be recognized as revenue when all of the revenue recognition criteria are met.

Contract costs primarily consist of the unamortized commission charges by distribution and payments channels and will be recognized as cost of revenues through amortization over the average expected playing period of the paying players ("**Player Relationship Period**"), which is consistent with the pattern of recognition of the associated revenue.

2 Summary of material accounting policies (Continued)

2.2 Material accounting policies (Continued)

(i) Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographical area of operation. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. It also occurs if the operation is abandoned. Where an operation is classified as discontinued, a single amount is presented on the face of the statement of profit or loss, which comprises:

— the post-tax profit or loss of the discontinued operation; and

— the post-tax gain or loss recognised on the measurement to fair value less costs to sell, or on the disposal, of the assets or disposal group(s) constituting the discontinued operation.

(j) Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(ii) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of each reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

2 Summary of material accounting policies (Continued)

2.2 Material accounting policies (Continued)

(j) Current and deferred income tax (Continued)

(ii) Deferred income tax (Continued)

Deferred income tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

(iii) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

(k) Share-based payments

Equity-settled share-based payment transactions

The Group operates several equity-settled share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments of the Group. The fair value of the employee services received in exchange for the grant of equity instruments is recognized as an expense. The total amount to be expensed is determined by reference to the fair value of the equity instruments granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

Non-market performance and service conditions are included in assumptions about the number of equity instruments that are expected to vest. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

2 Summary of material accounting policies (Continued)

2.2 Material accounting policies (Continued)

(k) ***Share-based payments*** (Continued)

Equity-settled share-based payment transactions (Continued)

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognizing the expense during the period between service commencement date and grant date.

Where there is any modification of terms and conditions which increases the fair value of the equity instruments granted, the Group includes the incremental fair value granted in the measurement of the amount recognized for the services received over the remainder of the vesting period. The incremental fair value is the difference between the fair value of the modified equity instrument and that of the original equity instrument, both estimated as of the date of the modification. An expense based on the incremental fair value is recognized over the period from the modification date to the date when the modified equity instruments vest in addition to any amount in respect of the original instrument, which should continue to be recognized over the remainder of the original vesting period. Furthermore, if the entity modifies the terms or conditions of the equity instruments granted in a manner that reduces the total fair value of the share-based payment arrangement, or is not otherwise beneficial to the employee, the entity shall nevertheless continue to account for the services received as consideration for the equity instruments granted as if that modification had not occurred (other than a cancellation of some or all the equity instruments granted).

At the end of each reporting period, the Group revises its estimates of the number of RSUs and options that are expected to vest based on the non-marketing performance and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

(l) ***Revenue recognition***

Revenues are recognized when or as the control of the goods or services is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the goods and services may be transferred over time or at a point in time.

2 Summary of material accounting policies (Continued)

2.2 Material accounting policies (Continued)

(I) ***Revenue recognition*** (Continued)

Game distribution revenue

The Group is a publisher of mobile games developed by third party game developers or its own. The Group licenses mobile games from game developers and earns game publishing service revenue by making a localized version of the licensed games and publishing them to the game players through distribution channels, including various mobile application stores and software websites, as well as other game publishers with cooperation relationship with the Group (collectively referred to as "**Distribution Channels**"), including the Group's websites. Through the Distribution Channels, game players can download the mobile games to their mobile devices. The mobile games published by the Group which are operated under a free-to-play model whereby game players can download the games free of charge and are charged for the purchase of in-game virtual items via payment channels, such as various mobile carriers and third-party internet payment systems (collectively referred to as "Payment Channels", Distribution Channels and Payment Channels collectively referred to as "**Platforms**").

(i) Casual mobile games

For casual mobile games, game players play the games on their own. The majority of casual mobile games are match-three puzzle games, endless running games and casual competition games that the game players play on their own. Upon the completion of download and installation of the games to the game players' mobile devices, all functionalities of the games have been fully delivered to the devices. Players can then play the games on their device without real time connection to the internet. At game players' discretion, in-game virtual items may be purchased to enhance game players' game experience. The fulfilment of in-game purchase requires connection to the mobile carriers' network or internet connection to the servers of Payment Channels at the time of purchase. Once the game players confirm their purchase requests, the Payment Channels send an "unlock code" to the device of the game players and then the purchased virtual items are automatically unlocked in the downloaded game. Therefore, future play and use of the purchased features do not require ongoing online connectivity or involvement of the Group and game servers are not necessary for game players to play the game or utilize the purchased in-game features or items. The Group does not have a practice or history of replacing lost games or data of offline mobile games for game players. However, starting from 2017, the Group also encourages the game player to register a game account for same casual games, and for those registered game players, the Group provides the additional services to store the in-game user information (including game playing contents and player's in-game purchase data) in the severs and will replace lost game and user data for those game players in certain circumstance.

2 Summary of material accounting policies (Continued)

2.2 Material accounting policies (Continued)

(l) ***Revenue recognition*** (Continued)

Game distribution revenue (Continued)

(ii) Role-Playing Game ("RPG") mobile games

For RPG mobile games, game players interact with other online players to collaborate or to compete among themselves to complete certain tasks of the games within a virtual social environment. The majority of RPG mobile games are role-playing games that the game players play with other online players. Playing the online mobile games requires real time internet connection to game servers, where all in-game user information is stored, including game playing contents and player's in-game purchase data. The game application downloaded on game players' device is similar to a portal to access the online game servers which are hosted by the game developers. Game players may purchase in-game virtual items or features via the payment channels to enhance their game-playing experience similar to offline mobile games.

(iii) Principal Agent Consideration

1) Third party licensed mobile games

Proceeds earned from selling in-game virtual items, in both of the licensed casual and RPG mobile games, are shared between the Group and the game developers, with the amount paid to the developers generally calculated based on amounts paid by players, after deducting the fees paid to the Payment Channels and the Distribution Channels including the credit allowable for deduction for games that were downloaded through the Group's owned platforms, multiplied by a predetermined percentage for each game.

The Group evaluates agreements with the game developers, Distribution Channels and Payment Channels in order to determine whether or not the Group acts as the principal or as an agent in the arrangement with each party respectively, which it considers in determining if relevant revenues should be reported gross or net of the predetermined amount of the proceeds shared with the other parties. The determination of whether to record the revenues gross or net is based on an assessment of various factors, including but not limited to whether the Group (i) is the primary obligor in the arrangement; (ii) has general inventory risk; (iii) changes the product or performs part of the services; (iv) has latitude in establishing the selling price; (v) has involvement in the determination of product and service specifications. The assessment is performed for all of the Group's licensed mobile games.

2 Summary of material accounting policies (Continued)

2.2 Material accounting policies (Continued)

(l) Revenue recognition (Continued)

Game distribution revenue (Continued)

(iii) Principal Agent Consideration (Continued)

1) Third party licensed mobile games (Continued)

The Group acts as Agent

With respect to certain of the Group's game license arrangements entered during the reporting period, the Group considered that the (i) game developers are responsible for providing the game products desired by the game players; (ii) the costs incurred by the developers to develop the games are more than the licensing costs and game localizations costs incurred by the Group; (iii) the hosting and maintenance of game servers for running the online mobile games is the responsibility of the developers, (iv and v) the developers have the right to review and approve the pricing of in-game virtual items and the specification, modification or update of the game made by the Group. The Group's responsibilities are publishing, providing payment solution and market promotion service, and thus the Group views the game developers to be its customers and considers itself as the agent of the game developers in the arrangements with game players. Accordingly, the Group records the game publishing service revenue from these licensed games, net of amounts paid to the game developers.

As the Group is responsible for identifying, contracting with and maintaining the relationships of the distribution and payment channels, commission fees paid to the Distribution Channels and Payment Channels are included in cost of revenues and presented on a gross basis. The Group considers it is the primary obligor to the game developers for the reasons identified above as it has been given latitude by the game developers in selecting distribution and payment channels for its service to the game developers.

The Group acts as Principal

With respect to certain of the Group's game license arrangements entered during the reporting period, there are same game license arrangements under which the Group takes primary responsibilities of game operation, including determining distribution and payment channels, providing customer services, hosting game servers, if needed, and controlling game and services specifications and pricing. Under this type of game license arrangement, the Group considered itself as a principal in these arrangements. Accordingly, the Group records the mobile games revenues from these third party licensed games on a gross basis. Commission fees paid to Distribution Channels and Payment Channels and content fees paid to third party game developers are recorded as cost of revenues.

2 Summary of material accounting policies (Continued)

2.2 Material accounting policies (Continued)

(I) ***Revenue recognition*** (Continued)

Game distribution revenue (Continued)

(iii) Principal Agent Consideration (Continued)

2) Self-developed and acquired mobile games

During the reporting period, the Group has been self-developing mobile games and acquiring mobile games from game developers. Game revenues derived from self-developed and acquired mobile games are recorded on a gross basis as the Group acts as a principal to fulfill most obligations related to the mobile game operation. Commission fees paid to Distribution Channels and Payment Channels are recorded as cost of revenues.

(iv) Timing of revenue recognition

1) Casual mobile games

For the casual mobile games, the Group does not provide the restore and replacement services, the Group has determined that all revenue recognition criteria are met upon players' confirmation of the purchase request and the unlocking of the purchased virtual items. This is because the service fee earned by the Group from the developers is fixed or determinable, the fee is considered collectible and the performance by the Group has occurred once the game players purchase virtual items. The Group has no additional performance obligations to the game developer or game players in order to earn the service fee upon the completion of the corresponding in-game purchases. Therefore, the Group recognizes revenue from providing services to casual mobile game developers upon the purchase of in-game virtual items by the game players for this type of arrangements.

For the casual mobile games the Group provides the restore, replacement, and other similar services to RPG mobile games and the Group recognized the revenue ratably over the Player Relationship Period (see below).

2) RPG mobile games

As the Group is acting as an agent in selling the RPG mobile games to game players, the Group has determined that all revenue recognition criteria are met upon players' confirmation of the purchase request although the utilization of the purchased virtual items require connection to the game servers. The fact that the operation of these mobile games requires hosting and maintenance of online game servers would not affect the timing of revenue recognition by the Group because those obligations are the responsibilities of the game developers as the primary obligor. Therefore, the Group recognizes revenues from providing services to RPG mobile game developers upon the purchase of in-game virtual items by the game players as the Group has no further obligations to the game developers in order to earn the service fee upon the completion of the corresponding in-game purchases.

2 Summary of material accounting policies (Continued)

2.2 Material accounting policies (Continued)

(I) ***Revenue recognition*** (Continued)

Game distribution revenue (Continued)

(iv) Timing of revenue recognition (Continued)

2) RPG mobile games (Continued)

For RPG mobile games where the Group is acting as a principal, the Group has determined that it is obligated to provide on-going services to the game players who purchased virtual items to gain an enhanced game-playing experience over the Player Relationship Period, and accordingly, the Group recognizes the revenues ratably over the Player Relationship Period of these paying players, starting from the point in time when virtual items are delivered to the players' accounts, and all other revenues recognition criteria are met.

As the RPG games are under a free-to-play model and revenue is generated from game paying players when they purchase game points for in-game virtual items, the Group focuses on the Player Relationship Period when estimating the period over which revenue is being recognized. The Group tracks each of the paying players' purchases and log in history for each significant game to estimate the Player Relationship Period, which is the Player Relationship Period of all paying players between the first time the players charge game points into their accounts and the last log in. If a new game is launched and only a limited period of paying player data is available, then the Group considers other qualitative factors, such as the playing patterns for paying users for other games with similar characteristics.

For the year ended 31 December 2025 and 2024, the Player Relationship Period is based on games that have sufficient historical operating data on a sample basis, respectively. The same Player Relationship Period was applied to the other games due to the lack of sufficient historical operating data, as well as the similarity in game characteristics and playing patterns of paying players, such as targeted players and purchasing frequency. While the Group believes its estimates to be reasonable based on available game player information, it may revise such estimates in the future as the games' operation periods change, sufficient individual game data become available, or there is indication that the similarities in characteristics and playing patterns of paying players of the games change. Any adjustments arising from changes in Player Relationship Period would be applied prospectively on the basis that such changes are caused by new information indicating a change in game player behavior patterns. Any changes in the Group's Player Relationship Period may result in revenues being recognized on a basis different from prior periods' and may cause its operating results to fluctuate.

2 Summary of material accounting policies (Continued)

2.2 Material accounting policies (Continued)

(l) ***Revenue recognition*** (Continued)

Game distribution revenue (Continued)

(iv) Timing of revenue recognition (Continued)

2) RPG mobile games (Continued)

The Group also hosted and maintained certain servers to collect and analyze data relating to user location, type and number of games downloaded, playing frequency and time and purchasing habits of the users of casual and RPG games. However, the hosting and maintaining of these servers for internal data analysis does not affect the timing of revenue recognition by the Group.

Game licensing revenue

The Group derives revenue from licensing its self-developed games to other game publishers, who operates the self-developed games in defined regions or countries within a specific period. The licensing fees normally comprise of non-refundable fixed licensing fees (either up-front or under specific payment schedule) and variable licensing fees calculated based on prescribed terms. The Group has evaluated the respective roles and responsibilities of the Group and the publishers in the delivery of game experience to players and concluded that the Publishers have the primary responsibility in these licensing arrangements as they are responsible for marketing and promotion of the games in the market, hosting the game servers, determining the price of the in-game virtual items, selection of distribution and payment channels and providing customer services, and therefore have exposure to the significant risks and rewards associated with the operation of these games under the licensing arrangements. Depending on the terms of the respective agreements, revenue is recognised either upfront upon the beginning of the licensing agreement to the extent of the fixed and non-refundable amount received upfront with no future obligations or over the period of the licensing agreement under which the Group need to provide continuous services. Accordingly, variable licensing fees (revenue share), which are calculated based on a prescribed percentage of the proceeds received by the Publishers from players, are recognized as revenue on a net basis when the sales occur.

2 Summary of material accounting policies (Continued)

2.2 Material accounting policies (Continued)

(l) ***Revenue recognition*** (Continued)

Game development service and technical support service revenue

The Group also engaged in provision of mobile games development services and technical support services including on-going updates of new contents and maintenance service to certain game operators. In these arrangement, game operators own the Intellectual properties of related games. For the arrangements with multiple performance obligation, at the contract inception date, the Group allocates revenue to each performance obligation based on its relative standalone selling price. The Group determines standalone selling prices based on the prices charged to customers if it's directly observable. If the standalone selling price is not directly observable, the contractually stated price is believed to best reflect the relative standalone selling price of performance obligations in a contract considering the Group's customary business practices. Assumptions and estimations have been made in estimating the relative selling price of each distinct performance obligation, and changes in judgments on these assumptions and estimates may impact the revenue recognition.

Revenue from providing development services is recognized in the accounting period in which the services are rendered and accepted by the customer. For technical support services, the Group considers it provides a series of distinct services that are substantially the same and that have the same pattern of transfer to the customer, and allocated the variable consideration based on certain percentage of sales of in-game virtual items to each day of distinct services and recognizes revenue in the month when related sales occur.

Information service revenue

Information service revenue mainly represents revenue generated from information services, primarily revenue for advertising business, which mainly comprise revenues derived from performance based, display based advertisement.

Revenue from performance based advertisements is recognized based on actual performance measurement. The Group recognizes the revenue from the delivery of pay-for click, pay-for download or pay-for instant display advertisements for advertisers to users of the Group based on the relevant performance measures.

Revenue from displaying advertisements is recognized ratably over the respective contract periods with the advertisers and their advertising agencies, when the related advertisements are displayed.

2 Summary of material accounting policies (Continued)

2.2 Material accounting policies (Continued)

(m) Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

(n) Share capital and shares held for employee share scheme

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the Company's share capital (also referred to as "**treasury shares**"), for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the Company's owners until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's owners.

Shares held by restricted stock units ("**RSUs**") Holdings Entities (the companies holdings shares pursuant to the RSUs Plan on trust or on behalf of the grantees of the Company, namely Sky Investment Limited and Sky Technology Limited) are disclosed as treasury shares and deducted from contributed equity.

(o) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

Trade payables are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

2 Summary of material accounting policies (Continued)

2.2 Material accounting policies (Continued)

(p) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as payroll and welfare, which include the medical and insurance other benefits, during employment payable in the balance sheet.

(ii) Employee leave entitlements

Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period. Employee entitlements to sick and maternity leave are not recognized until the time of leave.

(iii) Pension obligations

The Group's companies incorporated in the PRC contribute based on certain percentage of the salaries of the employees to a defined contribution retirement benefit plan and other defined contribution social security plans organized by relevant government authorities in the PRC on a monthly basis. The government authorities undertake to assume the retirement benefit obligations payable and other social security payables to all existing and future retired employees under these plans and the Group has no further obligation beyond the contributions made. Contributions to these plans are expenses as incurred. Assets of the plans are held and managed by government authorities and are separate from those of the Group.

(iv) Bonus plans

The expected cost of bonuses is recognized as a liability when the Group has a present legal or constructive obligation for payment of bonus as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities for profit sharing and bonus plans are expected to be settled within 1 year and are measured at the amounts expected to be paid when they are settled.

2 Summary of material accounting policies (Continued)

2.2 Material accounting policies (Continued)

(q) *Earnings per share*

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares.
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(r) *Segment reporting*

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("**CODM**"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer ("**CEO**") who reviews consolidated results, makes strategic decisions and assesses performance of the Group.

2 Summary of material accounting policies (Continued)

2.2 Material accounting policies (Continued)

(s) Foreign currency translations

(i) Changes in ownership interests

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The functional currency of the Company is Hong Kong dollar ("**HKD**"). The Company's primary subsidiaries were incorporated in the PRC and these subsidiaries considered RMB as their functional currency. As the major operations of the Group are within the PRC, the Group determined to present its consolidated financial statements in RMB (unless otherwise stated).

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the statement of comprehensive income on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as financial assets at fair value through other comprehensive income are recognized in other comprehensive income.

2 Summary of material accounting policies (Continued)

2.2 Material accounting policies (Continued)

(s) Foreign currency translations (Continued)

(iii) Group companies

The results and financial position of all group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency of RMB are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

- Income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

- All resulting exchange differences are recognized in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognized in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.3 Other accounting policies

(a) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;

- liabilities incurred to the former owners of the acquired business;

- equity interests issued by the Group;

- fair value of any asset or liability resulting from a contingent consideration arrangement; and

- fair value of any pre-existing equity interest in the subsidiary.

2 Summary of material accounting policies (Continued)

2.3 Other accounting policies (Continued)

(a) ***Business combinations*** (Continued)

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred;

- amount of any non-controlling interest in the acquired entity; and

- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as of the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognized in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in profit or loss.

(b) ***Property, plant and equipment***

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

2 Summary of material accounting policies (Continued)

2.3 Other accounting policies (Continued)

(b) Property, plant and equipment (Continued)

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements, the shorter lease term as follows:

— Land and buildings	20 years
— Furniture and office equipment	3 years
— Server and other equipment	3 years
— Motor vehicles	5 years
— Leasehold improvements	Shorter of estimated useful lives or remaining lease terms

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Construction in progress represents the direct costs of construction incurred for property, plant and equipment less any impairment losses. No provision for depreciation is made on construction in progress until such time the relevant assets are completed and put into use. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.2(c)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in "Other losses, net" in the consolidated statement of comprehensive income.

(c) Investment properties

Investment properties, principally freehold office buildings, are held for long-term rental yields and are not occupied by the Group. Investment properties are initially measured at cost, including related transaction costs and where applicable borrowing costs. Subsequently, they are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is computed on a straight-line basis, after taking into account the estimated residual value (10% of original cost), over the estimated useful lives. The estimated useful lives of the Group's investment properties are 20 or 31 years.

2 Summary of material accounting policies (Continued)

2.3 Other accounting policies (Continued)

(d) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position where the Group currently has a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The Group has also entered into arrangements that do not meet the criteria for offsetting but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or the termination of a contract.

(e) Inventories

Inventories are stated at the lower of cost and net realizable value. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(f) Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection of trade receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. Otherwise, they are presented as non-current assets.

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

(g) Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for further operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

2 Summary of material accounting policies (Continued)

2.3 Other accounting policies (Continued)

(h) Cash and cash equivalents

In the consolidated statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, and other short-term, highly liquid investments with original maturities of three months or less. Bank deposits which are restricted to use are included in "restricted cash" of the consolidated statement of financial position.

(i) Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(j) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

(k) Dividend income

Dividends are received from financial assets measured at FVPL and at FVOCI. Dividends are recognized as other income in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of an investment. In this case, the dividend is recognized in OCI if it relates to an investment measured at FVOCI. However, the investment may need to be tested for impairment as a consequence.

2 Summary of material accounting policies (Continued)

2.3 Other accounting policies (Continued)

(l) Leases

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;

- variable lease payment that are based on performance, initially measured using the index or rate as of the commencement date;

- amounts expected to be payable by the Group under residual value guarantees;

- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and

- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;

2 Summary of material accounting policies (Continued)

2.3 Other accounting policies (Continued)

(l) *Leases* (Continued)

- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing; and

- makes adjustments specific to the lease, e.g. term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on performance, which are not included in the lease liability until they take effect. When adjustments to lease payments based on performance take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;

- any lease payments made at or before the commencement date less any lease incentives received;

- any initial direct costs; and

- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the Group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

Payments associated with short-term leases of offices are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Lease income from operating leases where the Group is a lessor is recognized in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognized as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

2 Summary of material accounting policies (Continued)

2.3 Other accounting policies (Continued)

(m) Interest income

Interest income from financial assets at FVPL is included in the net fair value gains/(losses) on these assets.

Interest income on financial assets at amortized cost and financial assets at FVOCI calculated using the effective interest method is recognized in profit or loss as part of other income.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

(n) Government grants/subsidies

Grants/subsidies from government are recognized at their fair value where there is a reasonable assurance that the grants/subsidies will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognized in the consolidated statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment, and other non-current assets are included in non-current liabilities as deferred income and are credited to the consolidated statement of comprehensive income on a straight-line basis over the expected lives of the related assets.

(o) Dividend distribution

Dividends distribution to the Company's shareholders is recognized as a liability in the Group's and the Company's financial information in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. Risk management is carried out by the senior management of the Company.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not the Group entities' functional currency. The functional currency of the Company is HKD whereas functional currency of the subsidiaries operate in the PRC is RMB and the subsidiaries operate in oversea is United States dollar ("**USD**"). The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures and tries to minimize these exposures through natural hedges, wherever possible and may enter into forward foreign exchange contracts, when necessary.

The Group's PRC subsidiaries are exposed to foreign exchange risk arising from recognized assets in foreign currencies, primarily with respect USD in transactions with certain oversea platforms. For the years ended 31 December 2025 and 2024, if USD had strengthened/weakened by 10% against RMB with all other variables held constant, post-tax profit/(loss) for the years ended 31 December 2025 and 2024 would have been RMB9,812,000 and RMB1,478,000 lower/higher, respectively, mainly as a result of foreign exchange gains/losses on translation of USD-denominated receivables and cash and cash equivalents.

The Group does not hedge against any fluctuation in foreign currencies during the years ended 31 December 2025 and 2024.

(ii) Cash flow and fair value interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates and the Group has no significant interest-bearing assets except for cash and cash equivalents, restricted cash and loans to third parties, details of which have been disclosed in Note 23, 24 and 22 respectively.

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(ii) Cash flow and fair value interest rate risk (Continued)

The Group's exposure to changes in interest rates is also attributable to its borrowings, details of which have been disclosed in Note 28. Borrowings carried at floating rates expose the Group to cash flow interest-rate risk whereas those carried at fixed rates expose the Group to fair value interest-rate risk.

The Group currently does not use any interest rate swaps to hedge its exposure to interest rate risk. However, the Group will consider hedging significant interest rate exposure should the need arise.

As of 31 December 2025 and 2024, borrowings of the Group which were bearing at floating rates amounted to approximately, RMB144,329,000 and RMB151,329,000 respectively. As of 31 December 2025 and 2024, if the interest rates had been 50 basis point higher/lower and all other variables were held constant, the Group's post-tax profit/(loss) for the years ended 31 December 2025 and 2024 would has been approximately RMB613,000 and RMB643,000 higher/lower.

The exposure of the Group's borrowings to interest rate changes and the contractual re-pricing dates of the borrowings at the end of the reporting period are as follows:

	As of 31 December 2025 *RMB'000*	**% of total loans**	As of 31 December 2024 *RMB'000*	% of total loans
Variable rate borrowings	**144,329**	**14.21%**	151,329	14.14%
Fixed rate borrowings — repricing or maturity dates:				
Less than 1 year	**822,558**	**80.97%**	918,746	85.86%
More than 1 year	**49,000**	**4.82%**	—	—
	1,015,887	**100%**	1,070,075	100%

An analysis by maturities is provided in Note 3.1(c). The percentage of total loans shows the proportion of loans that are currently at variable rates in relation to the total amount of borrowings.

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(iii) Price risk

The Group's exposure to equity securities price risk arises from investments held by the Group and classified in the statement of financial position either as at FVPL.

The Group is exposed to price risk in respect of listed investment and unlisted investment measured at FVPL held by the Group. The Group is not exposed to commodity price risk. To manage its price risk arising from its investments, the Group diversifies its portfolio. Each investment is managed by management on a case by case basis.

(b) Credit risk

The Group is exposed to credit risk primarily in relation to its cash and cash equivalents (including restricted cash) placed with banks, trade receivables and other receivables. The carrying amount of each class of the above financial assets represents the Group's maximum exposure to credit risk in relation to the corresponding class of financial assets.

(i) Credit risk of cash and cash equivalents and restricted cash

To manage this risk, the Group only makes transactions with state-owned banks and reputable financial institutions in the PRC and reputable international banks and financial institutions outside of the PRC. There has been no recent history of default in relation to these banks and financial institutions. The expected credit loss is minimum.

(ii) Credit risk of trade receivables

Trade receivables at the end of each reporting period were due from the third party payment channels and mobile carriers, third party distribution channels partners, online advertising customers and agencies in cooperation with the Group, as well as due from related parties (collectively "**Customers**"). If the strategic relationship with the Customers are terminated or scaled-back; or if the Customers alter the co-operative arrangements; or if the Customers experience financial difficulties in paying the Group, the Group's corresponding trade receivables might be adversely affected in terms of recoverability. To manage this risk, the Group maintains frequent communications with the Customers to ensure the effective credit control. The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables (Note 21).

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(iii) Credit risk of other receivables

Other receivables at the end of each reporting period were mainly loans to employees, loans to third parties, loans to shareholders, amounts due from related parties and rental and other deposits. The directors of the Company consider the probability of default upon initial recognition of asset and whether there has been significant increase in credit risk on an ongoing basis. To assess whether there is a significant increase in credit risk the Group compares risk of a default occurring on the assets as of the reporting date with the risk of default as of the date of initial recognition. Especially the following indicators are incorporated:

- actual or expected significant adverse changes in business, financial economic conditions that are expected to cause a significant change to the third party borrower's ability to meet its obligations;

- actual or expected significant changes in the operating results of the third party borrower;

- significant changes in the expected performance and behavior of the borrower, including changes in the payment status of the borrower;

- the employment relationship with the employee borrower.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment/repayable demanded.

A default on a financial asset is when the counterparty fails to make contractual payments/ repayable demanded (i) within 60 days of when they fall due; (ii) because of insolvency.

Other receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group categories a loan or receivable for write off when a debtor fails to make contractual payments/repayable demanded greater than 120 days past due. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

Management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience. The Group uses three stages for other receivables which reflect their credit risk and how the credit loss provision is determined for each of those categories.

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(b) ***Credit risk*** (Continued)

(iii) Credit risk of other receivables (Continued)

Over the terms of the loans, the Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Group considers the historical loss rates for third parties, related parties and employees, and adjusts for forward-looking macroeconomic data. The Group provided for credit losses against other receivables as follows:

Other receivables	Expected credit loss rate	Basis for recognition of expected credit loss provision	As of 31 December 2025 Gross amount RMB'000	As of 31 December 2025 Carrying amount (net of impairment provision) RMB'000
Rental and other deposits-performing	0.60%	12 months expected losses	3,673	3,650
Loans to shareholders-performing	0.57%	12 months expected losses	126,566	125,845
Loans to employees-performing	0.56%	12 months expected losses	1,857	1,847
Loans to third parties-performing	0.99%	12 months expected losses	116,960	115,802
Amounts due from related parties	0.79%	12 months expected losses	9,742	9,665
Others-performing	0.45%	12 months expected losses	21,800	21,702
Loans to third parties-underperforming	100.00%	Life time expected losses	6,500	—
Others-underperforming	100.00%	Life time expected losses	4,172	—
			291,270	278,511

Other receivables	Expected credit loss rate	Basis for recognition of expected credit loss provision	As of 31 December 2024 Gross amount RMB'000	As of 31 December 2024 Carrying amount (net of impairment provision) RMB'000
Rental and other deposits-performing	0.64%	12 months expected losses	5,089	5,056
Loans to shareholders-performing	0.38%	12 months expected losses	124,326	123,854
Loans to employees-performing	0.48%	12 months expected losses	890	886
Loans to third parties-performing	0.90%	12 months expected losses	157,954	156,532
Amounts due from related parties	0.78%	12 months expected losses	9,396	9,323
Others-performing	0.35%	12 months expected losses	20,605	20,532
Loans to third parties-underperforming	100.00%	Life time expected losses	6,500	—
Others-underperforming	100.00%	Life time expected losses	2,173	—
			326,933	316,183

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(iii) Credit risk of other receivables (Continued)

Movements in the provision for impairment of other receivables as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
At the beginning of the year	**10,750**	98,894
Provision for impairment	**2,023**	17,694
Written off during the year	**—**	(107,273)
Foreign currency translation difference	**(14)**	1,435
At the end of the year	**12,759**	10,750

During the year ended 31 December 2025, the Group wrote off other receivables totaling RMBnil (2024: RMB107,273,000) due to the severe deterioration in the financial positions of the debtors, who were in a net liability position, lacked sufficient assets to repay the Group in the event of winding up, or without available assets in compulsory execution. Despite these challenges, the Group continues to engage in enforcement activity to recover outstanding receivables.

(c) Liquidity risk

Management of the Group aims to maintain a balance between continuity of funding and flexibility through the use of bank and other borrowings. Due to the dynamic nature of the underlying businesses, the Group's finance department aims to maintain flexibility in funding by maintaining adequate cash and cash equivalents.

As described in Note 1.2(c), in the opinion of the directors of the Company, in light of the above and taking into consideration the anticipated cash flows to be generated from the Group's operations as well as the abovementioned plans and measures, the Group will have sufficient financial resources to meet its financial obligations as and when they fall due in the coming twelve months from 31 December 2025.

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

The table below analyzes the Group's financial liabilities into relevant maturity grouping based on the remaining period at the end of each reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Above 5 years RMB'000	Total RMB'000	Carrying amount RMB'000
As of 31 December 2025						
Non-derivative						
Borrowings	908,841	67,436	35,705	38,252	1,050,234	1,015,887
Trade payables	178,817	—	—	—	178,817	178,817
Convertible bonds *(Note 29)*	17,432	17,432	366,075	—	400,939	284,207
Lease liabilities	7,564	4,314	—	—	11,878	11,532
Other payables and accruals (excluding payroll and welfare payables and other tax payables)	112,928	—	—	—	112,928	112,928
Financial liabilities at fair value through profit or loss	81,994	—	—	—	81,994	81,994
Derivative						
Financial liabilities at fair value through profit or loss	60,790	—	—	—	60,790	60,790
Total	1,368,366	89,182	401,780	38,252	1,897,580	1,746,155

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(c) ***Liquidity risk*** (Continued)

	Less than 1 year *RMB'000*	Between 1 and 2 years *RMB'000*	Between 2 and 5 years *RMB'000*	Above 5 years *RMB'000*	Total *RMB'000*	Carrying amount *RMB'000*
As of 31 December 2024						
Non-derivative						
Borrowings	969,562	51,293	37,456	50,131	1,108,442	1,070,075
Trade payables	378,765	—	—	—	378,765	378,765
Convertible bonds *(Note 29)*	17,640	17,640	388,084	—	423,364	275,608
Lease liabilities	7,891	—	—	—	7,891	7,753
Other payables and accruals (excluding payroll and welfare payables and other tax payables)	84,140	—	—	—	84,140	84,140
Financial liabilities at fair value through profit or loss	72,767	—	—	—	72,767	72,767
Derivative						
Financial liabilities at fair value through profit or loss	53,434	—	—	—	53,434	53,434
Total	1,584,199	68,933	425,540	50,131	2,128,803	1,942,542

Note: The maximum amount of the guarantee or liability to settle the contingent put arrangement is allocated to the earliest period in which the guarantee could be called or the put option could be exercised.

3.2 Capital managements

The Group's objectives on managing capital are to safeguard the Group's ability to continue as a going concern and support the sustainable growth of the Group in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to enhance owners' value in the long term.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

3 Financial risk management (Continued)

3.2 Capital managements (Continued)

The Group monitors capital on basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings, lease liabilities, interest payable and convertible bonds less cash and cash equivalents and restricted cash. Total capital is calculated as "equity" as shown in the consolidated statements of financial position. As of 31 December 2025 and 2024, the gearing ratio of the Group is 62.07% and 74.99% respectively.

Under the terms of the major bank loan, which has a carrying amount of RMB9,000,000 (2024: RMB42,000,000), the group is required to comply with the following financial covenants at the end of each annual and interim reporting period:

- the debt-to-asset ratio must be not more than 60%, and
- the annual operating cashflows should be positive.
- the aggregate financing amount of the consolidated net liabilities, excluding the acquisition loans, shall not exceed RMB1,800,000,000.

The group has complied with these covenants throughout the reporting period.

There are no indications that the Group would have difficulties complying with the covenants when they will be next tested as at the 30 June 2026 interim reporting date.

3.3 Fair value estimation

(a) Fair value hierarchy

The table below analyzes the Group's financial instruments carried at fair value as of 31 December 2025 and 2024 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorized into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quote prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

3 Financial risk management (Continued)

3.3 Fair value estimation (Continued)

(a) Fair value hierarchy (Continued)

The following table presents the Group's assets and liabilities that are measured at fair value as of 31 December 2025 and 2024.

As of 31 December 2025	**Note**	**Level 1 RMB'000**	**Level 2 RMB'000**	**Level 3 RMB'000**	**Total RMB'000**
Financial assets at fair value through profit or loss					
Investments in unlisted entities and private investment funds	20	—	—	273,841	273,841
Investments in listed entities	20	11,429	—	—	11,429
Total financial assets		11,429	—	273,841	285,270
Financial liabilities at fair value through profit or loss	32	—	—	142,784	142,784
Total financial liabilities		—	—	142,784	142,784

As of 31 December 2024	Note	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets at fair value through profit or loss					
Investments in unlisted entities and private investment funds	20	—	—	296,661	296,661
Investments in listed entities	20	27,180	—	—	27,180
Total financial assets		27,180	—	296,661	323,841
Financial liabilities at fair value through profit or loss	32	—	—	126,201	126,201
Total financial liabilities		—	—	126,201	126,201

3 Financial risk management (Continued)

3.3 Fair value estimation (Continued)

(a) ***Fair value hierarchy*** (Continued)

The fair value of financial instruments traded in active markets is determined based on quoted market prices at the end of the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. if all significant inputs that are required to measure fair value of an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

(b) ***Valuation techniques to determine fair value***

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- The net asset value of the investments;
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the end of the reporting period, with the resulting value discounted back to present value; and

Other techniques, such as discounted cash flow analysis, are used to determine fair value for financial instruments.

3 Financial risk management (Continued)

3.3 Fair value estimation (Continued)

(c) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 financial assets for the years ended 31 December 2025 and 2024:

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
At the beginning of the year	**296,661**	325,743
Additions	**—**	3,000
Disposals	**(5,490)**	1,112
Changes in fair value recognized in profit or loss	**(15,076)**	(34,812)
Currency translation differences	**(2,254)**	1,618
At the end of the year	**273,841**	296,661
Changes in unrealized losses for the year included in profit or loss at the end of the year	**(15,076)**	(34,812)

The following table presents the changes in level 3 financial liabilities for the years ended 31 December 2025:

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
At the beginning of the year	**126,201**	99,633
Repayments of Financial liabilities at fair value through profit or loss	**(5,000)**	—
Changes in fair value recognized in profit or loss	**21,583**	26,568
At the end of the year	**142,784**	126,201
Changes in unrealized losses for the year included in profit or loss at the end of the year	**21,583**	26,568

3 Financial risk management (Continued)

3.3 Fair value estimation (Continued)

(d) Valuation processes of the Group (level 3)

The Group has a team that manages the valuation exercise of level 3 instruments for financial reporting purposes. The team performs valuation, or necessary updates, at least once every six months. On an annual basis, the team adopts various techniques to determine the fair value of the Group's level 3 instruments. External valuation experts may also be involved and consulted when it is necessary.

The components of the level 3 instruments mainly include investments in private investment funds, unlisted companies, financial guarantee contracts and derivative liabilities. As these instruments are not traded in an active market, their fair values have been determined using various applicable valuation techniques, including discounted cash flows approach, comparable transactions approach, net asset value of the investments and other option pricing models, etc. Major assumptions used in the valuation include historical financial results, assumptions about terminal growth rate, estimates of weighted average cost of capital ("**WACC**"), price-to-sale ratio, and other exposure, etc.

The following table summarizes the quantitative information about the significant unobservable inputs used in level 3 fair value measurements of investments in unlisted entities included in financial assets at fair value through profit or loss.

Key unobservable inputs At 31 December 2025	Range of inputs at 31 December 2025	Change	Fair value change as of 31 December 2025 *RMB'000*
WACC	16.00%–20.70%	+5.00%	(1,489)
	16.00%–20.70%	-5.00%	1,690
Terminal growth rate	2.0%–3.0%	+5.00%	84
	2.0%–3.0%	-5.00%	(83)
Price-to-sale ratio	3.15–13.79	+5.00%	1,018
	3.15–13.79	-5.00%	(1,018)
Volatility	38.44%–48.81%	+5.00%	(301)
	38.44%–48.81%	-5.00%	302
Risk free rate	2.40%–3.65%	+5.00%	(18)
	2.40%–3.65%	-5.00%	19
EV/S	1.11–1.6	+5.00%	798
	1.11–1.6	-5.00%	(808)

3 Financial risk management (Continued)

3.3 Fair value estimation (Continued)

(d) Valuation processes of the Group (level 3) (Continued)

Key unobservable inputs At 31 December 2024	Range of inputs at 31 December 2024	Change	Fair value change as of 31 December 2024 *RMB'000*
WACC	15.6%–20.70%	+5.00%	(1,795)
	15.6%–20.70%	-5.00%	2,025
Terminal growth rate	2.5%–3.0%	+5.00%	132
	2.5%–3.0%	-5.00%	(340)
Price-to-sale ratio	2.22–12.23	+5.00%	402
	2.22–12.23	-5.00%	(402)
Volatility	46.47%–50.8%	+5.00%	(533)
	46.47%–50.8%	-5.00%	564
Risk free rate	3.32%–3.94%	+5.00%	48
	3.32%–3.94%	-5.00%	139

For the level 3 fair value measurements of investments in private equity funds and venture capital funds included in financial assets at fair value through profit or loss, it is primarily valued based on the latest available consolidated financial statements and valuation reports provided by their general partners. Other fund investments are valued based on the reported net asset values of the respective instruments as provided by fund managers or their issuers. The fair value is higher when the net asset values increase.

4 Critical accounting estimates and judgements

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Estimates of Player Relationship Period in the Group's game development and game publishing services

As described in Note 2.2(i), the Group recognizes the revenues ratably over the estimated average Player Relationship Period for RPG mobile games and certain casual mobile games where the Group acts as Principal. The determination of Player Relationship Period in each game is made based on the Group's best estimate that takes into account all known and relevant information at the time of assessment. Such estimates are subject to re-evaluation on a semi-annual basis. Any adjustments arising from changes in the Player Relationship Period as a result of new information will be accounted for as a change in accounting estimate.

(b) Fair value measurement of financial assets and financial liabilities at fair value through profit or loss

The fair value assessment of financial assets and financial liabilities at fair value through profit or loss that are measured at level 3 fair value hierarchy requires significant estimates, which include estimating the future cash flows, determining appropriate discount rates, expected volatility, market information of recent transactions (such as recent fund raising transactions undertaken by the investees) and other assumptions. Changes in these assumptions and estimates could materially affect the respective fair value of these financial assets and financial liabilities. The Group monitors its financial assets and financial liabilities for their fair value assessment by considering factors including, but not limited to, current economic and market conditions, recent fund raising transactions undertaken by the investees, the operating performance of the investees including current earnings trends and other company-specific information.

(c) Revenue recognition

Pursuant to game publishing and operation arrangements signed between the Group and the third party game developers or Platforms, the Group's responsibilities in publishing and operating the licensed or commissioned-developed games vary for each game. The determination of whether to record these revenues using gross or net basis is based on an assessment of various factors, including but not limited to whether the Group (i) is the primary obligor to the game developers and game players in the arrangements; (ii) has latitude in establishing the selling price of virtual items; (iii) changes the products or performs part of the services; (iv) has involvement in the determination of product and service specifications; and (v) has the rights to determine secondary Platform.

4 Critical accounting estimates and judgements (Continued)

(d) Recoverability of game intellectual properties and licenses

The Group tests whether game intellectual properties and licenses suffered any impairment every six months and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Judgement is required to identify any impairment indicators existing for any of the Group's game intellectual properties and licenses, i.e. the remaining period of licensed games, the performance of those launched games, the development and launch plans for certain type of games and etc. If there is a significant adverse change in the games' performance, it may be necessary to take additional impairment charge to the consolidated statements of comprehensive income.

(e) Recoverability of prepaid revenue sharing to content providers

Under game licensing contracts with content providers, the Group generally prepaid revenue sharing to content providers for certain period of time when the Group operates these third party developed games in certain countries/regions. Those prepaid revenue sharing is recorded in prepayment when the Group made cash payment to the content providers. Such prepayment is recognized as "cost of revenues" on incurred basis. If the unearned prepaid revenue sharing to content providers can not be fully recovered by the game revenue to be generated in the remaining contractual period, the Group will recognize impairment loss against the carrying amount of such prepayment.

(f) Share-based compensation arrangements

As mentioned in Note 2.2(k), the Group has granted share options to its employees and other qualifying participants under the 2023 New Share Option Scheme adopted on 30 June 2023. The directors have adopted the Binomial Model to determine the total fair value of the options granted, which is to be expensed over the respective vesting periods. Significant estimates and judgment on key parameters, such as risk-free rate, dividend yield and expected volatility, are required to be made by the directors based on historical experience and other relevant factors in applying the Binomial Model (Note 27). Changes in these estimates and judgments could materially affect the fair value of these options granted. The fair value of share options granted to employees determined using the Binomial Model was approximately HKD0.34 to HKD0.75 (equivalent to approximately RMB0.31 to RMB0.68) in 2025. The fair value of share options granted to employees determined using the Binomial Model was approximately HKD0.66 to HKD1.31 (equivalent to approximately RMB0.60 to RMB1.19) in 2024.

The Group has to estimate the expected yearly percentage of grantees that will stay within the Group at the end of vesting periods of the options and awarded shares (the "**Expected Retention Rate**") in order to determine the amount of share-based compensation expenses charged to the consolidated income statement. Where the final retention rate is different from the initial estimate, such differences will impact the share-based compensation expenses in subsequent periods. As of 31 December 2025, the Expected Retention Rate of the Group's wholly-owned subsidiaries was assessed to be not lower than 96%(2024: 94%).

4 Critical accounting estimates and judgements (Continued)

(g) Current and deferred income taxes

The Group is subject to income taxes in the PRC and other jurisdictions. Judgment is required in determining the provision for income taxes in each of these jurisdictions. There are transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognized when management considers it is probable that future taxable profits will be available against which the temporary differences or tax losses can be utilized. When the expectation is different from the original estimate, such differences will impact the recognition of deferred income tax assets and taxation charges in the period in which such estimate is changed.

(h) Expected credit loss for receivables

The impairment provisions for trade receivables, amounts due from related parties, other receivables are based on assumptions about the expected loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, see Note 3.1(b) and Note 21. Changes in these assumptions and estimates could materially affect the result of the assessment and it may be necessary to make additional impairment charge to the consolidated statements of comprehensive income/loss.

5 Segment information

The Group's business activities, for which discrete financial statements are available, are regularly reviewed and evaluated by the CODM. The Group's CODM has been identified as the CEO, who reviews consolidated results when making decisions about allocating resources and assessing performance of the Group. The CEO of the Group considered that the Group's operations were operated and managed on only one reportable segment, which is game and information services.

Game and information services

The segment of game and information services mainly includes (a) game distribution; (b) game development and co-operation; (c) in-game information services.

6 Revenues

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Game and information services revenues		
Game revenue	**1,199,309**	1,455,942
Information service revenue	**136,451**	49,548
Others	**2,329**	8,154
	1,338,089	1,513,644

The timing of revenues recognition by category is as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
At a point in time	**806,566**	853,671
Over time	**531,523**	659,973
	1,338,089	1,513,644

There are two kinds of unsatisfied performance obligations as of 31 December 2025 and 2024.

One is the sales of game tokens and virtual items where there is still an implied obligation to be provided by the Group. The Group has determined that it is obligated to provide on-going services to the game players over the Player Relationship Period of the paying players. The amount of such unsatisfied performance obligations had been reflected in contract liabilities as of the end of the year.

The other one is the mobile game development services and game cooperation services including on-going updates of new contents and maintenance service under variable price contracts, such as based on the pre-agreed percentage of the net billing of the game. The amount can not be estimated under such variable price contracts.

Contract liabilities will be recognize as revenues ratably over the Player Relationship Period of these paying players, starting from the point in time when virtual items are delivered to the players' accounts, and all other revenues recognition criteria are met.

7 Expenses by nature

Expenses included in cost of revenues, selling and marketing expenses, general and administrative expenses, research and development expenses and impairment losses on intangible assets are analyzed below:

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Channel costs	**396,239**	505,111
Revenue share to content providers	**257,194**	433,505
Promotion and advertising expenses	**225,095**	179,014
Employee benefit expenses *(Note 10)*	**164,414**	207,106
Amortization of intangible assets *(Note 17)*	**55,443**	59,983
Cloud computing, bandwidth and server custody fees	**43,634**	56,271
Professional service fees	**20,260**	27,670
Depreciation of right-of-use assets *(Note 15)*	**11,041**	12,098
Travelling and entertainment expenses	**7,035**	13,170
Auditor's remuneration		
— Audit services	**3,950**	4,550
— Non-audit services	**295**	294
Short-term rental and utilities expenses	**3,447**	4,453
Technical and development services fee in relation to game development and others	**2,566**	27,870
Impairment provisions for intangible assets *(Note 17)*	**1,636**	9,972
Depreciation of property, plant and equipment *(Note 14)*	**997**	1,178
Impairment provisions for prepaid revenue sharing to content providers *(Note 22)*	**995**	19,251
Depreciation of investment properties *(Note 16)*	**440**	440
Others	**22,217**	23,038
Total cost of revenues, selling and marketing expenses, general and administrative expenses, research and development expenses and impairment losses on intangible assets	**1,216,898**	1,584,974

During the year ended 31 December 2025, certain game intellectual properties and licenses which are not yet commercially launched were fully or partly impaired and impairment losses of RMB1,636,000 (2024: RMB9,972,000) was charged to the consolidated statement of comprehensive income and was disclosed separately in consolidated statement of comprehensive income.

During the year ended 31 December 2025, certain prepaid advertising expenses were fully impaired due to the bankruptcy of the advertiser suffered from the downturn of the industry and impairment losses of RMB26,539,000 (2024: RMB13,487,000) were recorded as selling expenses.

7 Expenses by nature (Continued)

During the years ended 31 December 2025 and 2024, the impairment loss of prepayments that revenue sharing to content providers have been disclosed in cost of revenues under IFRS 15.

8 Other income

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Government grants *(a)*	**14,788**	11,030
Others	**144**	1,379
	14,932	12,409

(a) Government grants represented various subsidies granted by and received from local government authorities in the PRC. Government grants related to costs are subsidies for funding the Group's internet related research expenditures.

9 Other losses, net

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Fair value losses on financial liabilities at fair value through profit or loss	**21,583**	26,568
Gains on disposal of financial assets	**(2,200)**	—
Gains on lease modification *(Note 15)*	**—**	(1,634)
Gains on disposal of investments in associates and joint venture *(Note 19)*	**(1,078)**	(6,669)
Others	**225**	1,039
	18,530	19,304

10 Employee benefit expenses

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Basic wages and salaries	**128,345**	148,148
Bonuses	**—**	17,234
Pension costs — defined contribution plans *(a)*	**24,491**	23,161
Share-based compensation expenses *(Note 27)*	**6,687**	15,569
Other social security costs, housing benefits and other employee benefit expenses *(a)*	**4,891**	2,994
	164,414	207,106

(a) Pension costs and other employee benefits

Employees of the Group companies in the PRC are required to participate in defined contribution retirement schemes administered and operated by the local municipal government. The Group contributes funds which are calculated on fixed percentage of the employee's salary (subject to a floor and cap) as set by local municipal governments to each scheme locally to fund the retirement benefits of the employees. Other employee benefits include housing provident fund, which varies from different city in the PRC, usually 5%-12% of the average monthly salary of employees. Medical and other insurance are also covered by other employee benefits.

Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees.

As of 31 December 2025 and 2024, the Group was not entitled to any forfeited contributions to reduce the Group's future contributions.

10 Employee benefit expenses (Continued)

(b) Directors' and Chief Executive's emoluments

The remuneration of every director and the CEO for the year ended 31 December 2025 is set out below:

Name	Fees	Salaries	Share-based compensation	Pension costs-defined contribution plan, other social security costs, housing benefits, and other employee benefits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive Directors					
Mr. Chen Xiangyu (CEO)	—	1,636	468	93	2,197
Mr. Guan Song	—	1,325	350	93	1,768
Mr. Yang Jialiang	—	1,365	567	91	2,023
	—	4,326	1,385	277	5,988
Independent non-executive Directors					
Ms. Yu Bin	200	—	—	—	200
Mr. Zhang Weining	200	—	—	—	200
Mr. Li Xintian	200	—	—	—	200
Mr. Mao Rui	200	—	—	—	200
	800	—	—	—	800
Non-executive Directors					
Mr. Zhang Han	—	—	—	—	—
Mr. Yang Ming	—	—	—	—	—
	—	—	—	—	—
Total	800	4,326	1,385	277	6,788

10 Employee benefit expenses (Continued)

(b) Directors' and Chief Executive's emoluments (Continued)

The remuneration of every director and the CEO for the year ended 31 December 2024 is set out below:

Name	Fees	Salaries	Share-based compensation	Pension costs-defined contribution plan, other social security costs, housing benefits, and other employee benefits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive Directors					
Mr. Chen Xiangyu (CEO)	—	1,632	—	133	1,765
Mr. Jeffrey Lyndon Ko	—	1,312	235	355	1,902
Mr. Guan Song	—	1,332	235	133	1,700
Mr. Yang Jialiang	—	1,323	1,116	130	2,569
	—	5,599	1,586	751	7,936
Independent non-executive Directors					
Ms. Yu Bin	200	—	—	—	200
Mr. Zhang Weining	200	—	—	—	200
Mr. Li Xintian	200	—	—	—	200
Mr. Mao Rui	200	—	—	—	200
	800	—	—	—	800
Non-executive Directors					
Mr. Zhang Han	—	—	—	—	—
Mr. Yang Ming	—	—	—	—	—
	—	—	—	—	—
Total	800	5,599	1,586	751	8,736

10 Employee benefit expenses (Continued)

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year ended 31 December 2025 included three directors (2024: three) whose emoluments were reflected in the analysis presented above. The aggregate amounts of emoluments for the remaining two individual (2024: two) during the year are set out below:

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Wages, salaries and bonuses	**2,562**	2,824
Pension costs — defined contribution plan, other social security costs, housing benefits, and other employee benefits	**184**	245
Share-based compensation expenses	**671**	1,836
	3,417	4,905

The emoluments of those individuals fell within the following bands:

	Number of individuals	
	Year ended 31 December	
	2025	2024
RMB1,500,001 to RMB2,000,000	**2**	—
RMB2,000,001 to RMB2,500,000	**—**	1
RMB2,500,001 to RMB3,000,000	**—**	1
RMB3,000,001 to RMB3,500,000	**—**	—
	2	2

Based on the performance of the Group, the bonuses to the remaining two highest paid individual amounting to RMBnil in 2025 (2024: the remaining two highest paid individuals amounting to RMB842,500).

11 Finance costs, net

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Finance costs:		
— Interest expense on bank borrowings	**41,960**	54,309
— Exchange (gains)/losses, net	**(12,485)**	5,811
— Interest expense on convertible bonds *(Note 29)*	**32,823**	50,993
— Interest expense on lease liabilities *(Note 15 (b))*	**343**	733
— Interest capitalized	**(3,656)**	(1,821)
	58,985	110,025
Finance income:		
— Interest income on bank deposits	**(2,844)**	(3,861)
	(2,844)	(3,861)
Finance costs, net	**56,141**	106,164

12 Income tax expense/(credit)

The income tax expense/(credit) of the Group for the years ended 31 December 2025 and 2024 is analyzed as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Current income tax	**2,004**	(27,052)
Deferred income tax	**1,177**	(2,461)
Income tax expense/(credit)	**3,181**	(29,513)

12 Income tax expense/(credit) (Continued)

The tax on the Group's loss before income tax differs from the theoretical amount that would arise using the statutory tax rate of 25% in the PRC as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Loss before income tax	**23,099**	(574,117)
Tax calculated at 25%	**5,775**	(143,529)
Tax effects of:		
— Preferential income tax rates applicable to subsidiaries on PRC *(c)*	**(29,142)**	24,236
— Effects of different tax rate *(a) (b)*	**8,433**	31,823
— Income not subject to tax	**(31,346)**	(5,981)
— Tax losses and temporary differences for which no deferred income tax asset was recognized	**58,662**	82,610
— Utilisation of tax losses and temporary differences which was not recognized as deferred income tax asset	**(1,399)**	(4,000)
— Expenses not deductible for income tax purposes	**3,251**	4,265
— Super deduction for research and development expenses *(c)*	**(11,053)**	(18,937)
Income tax expense/(credit)	**3,181**	(29,513)

(a) Cayman Islands corporate income tax

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and accordingly, is exempted from Cayman Islands income tax.

(b) Hong Kong profits tax

Entities incorporated in Hong Kong are subject to Hong Kong profits tax at a rate of 16.5%.

(c) PRC Enterprise Income Tax ("EIT")

The income tax provision of the Group in respect of its operations in PRC was calculated at the tax rate of 25% on the assessable profits, based on the existing legislation, interpretations and practices in respect thereof.

In 2022, Shenzhen iDreamSky renewed its qualification as a "High and New Technology Enterprise" ("**HNTE**"), and it is subject to a reduced preferential EIT rate of 15% for three-year period from 2022 to 2024 according to the applicable tax preference applicable to the HNTE. The Company renewed its qualification as a HNTE in 2025, which is valid from 2025 to 2027.

12 Income tax expense/(credit) (Continued)

(c) PRC Enterprise Income Tax ("EIT") (Continued)

According to the relevant laws and regulations promulgated by the State Tax Bureau of the PRC that was effective from 2008 onwards, enterprises engaging in research and development activities are entitled to claim 50% of their research and development expenses incurred before 2018 and 75% of their research and development expenses incurred from 2018 to 2022 as tax deductible expenses when determining their assessable profits for that year ("**Super Deduction**"). From 1 January 2023 onwards, enterprises engaging in research and development activities are entitled to claim 100% of their research and development expenses as tax deductible expenses when determining their assessable profits for that year. The Group has made its best estimate for the Super Deduction to be claimed for the Group's entities in ascertaining their assessable profits.

Certain subsidiaries of the Group in the PRC have been granted certain tax concessions to small scale entities by tax authorities in the PRC whereby the subsidiaries operating in the respective region are entitled to tax concessions.

(d) PRC Withholding Tax ("WHT")

According to the applicable PRC tax regulations, dividends distributed by a company established in the PRC to a foreign investor with respect to profits derived after 1 January 2008 are generally subject to a 10% WHT. If a foreign investor incorporated in Hong Kong meets the conditions and requirements under the double taxation treaty arrangement entered into between the PRC and Hong Kong, the relevant withholding tax rate will be reduced from 10% to 5%.

The Group does not have any plan to require its PRC subsidiaries to distribute their retained earnings and intends to retain them to operate and expand its business in the PRC. Accordingly, no deferred income tax liability on WHT was accrued as of the end of each reporting period.

13 Earnings/(Losses) per share and dividends

(a) Earnings/(Losses) per share

(i) Basic

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Profit/(loss)attributable to owners of the Company *(RMB'000)*	**15,940**	(528,827)
Weighted average number of shares in issue *(thousands)*	**1,807,766**	1,625,076
Basic earnings/(losses) per share *(in RMB)*	**0.01**	(0.33)

Basic losses per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of shares in issue during the year, excluding ordinary shares repurchased by the Group and held as treasury shares (Note 25).

(ii) Diluted

The share options and awarded shares granted by the Company have potential dilutive effect on the EPS. Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding by the assumption of the conversion of all potential dilutive ordinary shares arising from share options and awarded shares granted by the Company (collectively forming the denominator for computing the diluted EPS), which is determined under the treasury stock method.

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Profit/(loss) attributable to owners of the Company *(RMB'000)*	**15,940**	(528,827)
Weighted average number of shares in issue *(thousands)*	**1,807,766**	1,625,076
Adjustments for share options and awarded shares *(thousands)*	**2,278**	—
Weighted average number of ordinary shares for the calculation of diluted EPS *(thousands)*	**1,810,044**	1,625,076
Diluted earnings/(losses) per share *(in RMB)*	**0.01**	(0.33)

(b) Dividends

The Board has resolved that no dividend shall be declared for the years ended 31 December 2025 and 2024.

14 Property, plant and equipment

	Furniture and office equipment RMB'000	Server and other equipment RMB'000	Motor vehicles RMB'000	Construction in progress RMB'000	Total RMB'000
Year ended 31 December 2024					
Opening net book amount	2,682	1,276	133	94,263	98,354
Additions	922	230	399	33,398	34,949
Disposals	(6)	(1)	—	—	(7)
Depreciation charge	(849)	(308)	(21)	—	(1,178)
Closing net book amount	2,749	1,197	511	127,661	132,118
At 31 December 2024					
Cost	21,293	14,652	2,200	127,661	165,806
Accumulated depreciation	(18,544)	(13,455)	(1,689)	—	(33,688)
Net book amount	2,749	1,197	511	127,661	132,118
Year ended 31 December 2025					
Opening net book amount	**2,749**	**1,197**	**511**	**127,661**	**132,118**
Additions	**307**	**624**	**—**	**42,470**	**43,401**
Disposals	**(131)**	**(21)**	**—**	**—**	**(152)**
Depreciation charge	**(597)**	**(333)**	**(67)**	**—**	**(997)**
Currency translation difference	**—**	**(1)**	**(11)**	**—**	**(12)**
Closing net book amount	**2,328**	**1,466**	**433**	**170,131**	**174,358**
At 31 December 2025					
Cost	**21,469**	**15,255**	**2,200**	**170,131**	**209,055**
Accumulated depreciation	**(19,141)**	**(13,788)**	**(1,756)**	**—**	**(34,685)**
Currency translation difference	**—**	**(1)**	**(11)**	**—**	**(12)**
Net book amount	**2,328**	**1,466**	**433**	**170,131**	**174,358**

14 Property, plant and equipment (Continued)

Depreciation expenses have been charged to the consolidated statement of comprehensive income as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Cost of revenues	**305**	316
General and administrative expenses	**159**	121
Research and development expenses	**525**	733
Selling and marketing expenses	**8**	8
	997	1,178

15 Leases

This note provides information for leases where the Group is a lessee.

(a) Amounts recognized in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

	As of 31 December	
	2025	2024
	RMB'000	*RMB'000*
Right-of-use assets		
Buildings	**11,448**	7,594
Land use rights	**69,085**	72,078
	80,533	79,672
Lease liabilities		
Non-current	**7,254**	—
Current	**4,278**	7,753
	11,532	7,753

There was no additions of right-of-use assets during the year ended 31 December 2025 (2024: RMB787,000).

15 Leases (Continued)

(a) Amounts recognized in the statement of financial position (Continued)

There was no disposals of right-of-use assets during the year ended 31 December 2025 (2024: nil).

During the reporting period, the Group entered into a lease renewal agreement with the lessor. As a result of the lease modification for renewal, the right-of-use asset increased by RMB14,913,100, and the lease liability increased by RMB14,913,100.The modification resulted in a decreasing depreciation expense of RMBnil (2024: RMB1,634,000).

(b) Amounts recognized in the consolidated statement of comprehensive income or capitalized in the construction in progress:

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Depreciation charge of right-of-use assets		
Buildings	**11,041**	12,098
Land use rights	**2,993**	2,993
	14,034	15,091

During the year ended 31 December 2025, the depreciation of RMB11,041,000 (2024: RMB12,098,000) from buildings was charged in profit or loss and RMB2,993,000 (2024: RMB2,993,000) from land use rights was recognized in construction in progress.

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Interest expense (included in finance costs)	**343**	733
Expense relating to short-term leases (included in cost of revenues and general and administrative expenses)	**6**	9
	349	742

15 Leases (Continued)

(c) Amounts recognized in the consolidated statement of cash flows relating to leases

During the year ended 31 December 2025, the cash outflow about the principal element and interest element of lease payments was RMB11,458,000 and RMB343,000 respectively (2024: RMB12,709,000 and RMB733,000), the cash outflow about payment for short-term and low-value lease was RMB6,000 (2024: RMB9,000).

(d) The Group's leasing activities and how these are accounted for

The Group leases various offices. Rental contracts are typically made for fixed periods of 1 to 6 years but may have extension options as described in (e) below.

(e) Extension and termination options

Extension and termination options are included in a number of property leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable by the Group.

16 Investment properties

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Opening net book amount	**6,075**	6,515
Depreciation charge	**(440)**	(440)
Closing net book amount	**5,635**	6,075

The investment property as of 31 December 2025 is the buildings located in Changsha Xincheng Science Park for offices, held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties through sales and rental.

The fair value of the investment properties as of 31 December 2025 was RMB10,630,000 (2024: RMB11,860,000).

16 Investment properties (Continued)

(a) Amounts recognized in profit or loss for investment properties

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Rental income from operating leases	**269**	334
Direct operating expenses from properties that generates rental income	**(111)**	(104)
	158	230

(b) Leasing arrangements

The investment properties are leased to tenants under operating leases with rentals payable monthly or quarterly. To reduce credit risk, the Group sets agreements of rental deposit and liquidated damages in contract in case of tenants' delay in payments or no payments. The Group also sets increasing rental price during term of lease to against the increasing CPI.

17 Intangible assets

	Game intellectual properties and licenses RMB'000	Computer software RMB'000	Capitalized development costs for internal use software RMB'000	Total RMB'000
Year ended 31 December 2024				
Opening net book amount	964,620	915	—	965,535
Additions	188,058	394	—	188,452
Amortization charge *(a)*	(59,450)	(533)	—	(59,983)
Impairment *(b)*	(9,972)	—	—	(9,972)
Currency translation differences	1,910	—	—	1,910
Closing net book amount	1,085,166	776	—	1,085,942
At 31 December 2024				
Cost	1,928,611	39,314	77,602	2,045,527
Accumulated amortization	(799,839)	(38,538)	(77,602)	(915,979)
Accumulated impairment *(b)*	(43,606)	—	—	(43,606)
Net book amount	1,085,166	776	—	1,085,942
Year ended 31 December 2025				
Opening net book amount	**1,085,166**	**776**	**—**	**1,085,942**
Additions	**192,444**	**297**	**—**	**192,741**
Amortization charge *(a)*	**(54,853)**	**(590)**	**—**	**(55,443)**
Impairment *(b)*	**(1,636)**	**—**	**—**	**(1,636)**
Currency translation differences	**(2,882)**	**—**	**—**	**(2,882)**
Closing net book amount	**1,218,239**	**483**	**—**	**1,218,722**
At 31 December 2025				
Cost	**2,056,772**	**39,611**	**77,602**	**2,173,985**
Accumulated amortization	**(812,619)**	**(39,128)**	**(77,602)**	**(929,349)**
Accumulated impairment *(b)*	**(25,914)**	**—**	**—**	**(25,914)**
Net book amount	**1,218,239**	**483**	**—**	**1,218,722**

17 Intangible assets (Continued)

(a) Amortization charges for intangible assets

Amortization charges were expensed in the following categories in the consolidated statement of comprehensive income:

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Cost of revenues	**48,807**	47,911
General and administrative expenses	**6,261**	12,042
Research and development expenses	**375**	30
Selling and marketing expenses	**—**	—
	55,443	59,983

(b) Impairment for intangible assets

The impairment for intangible assets mainly represents impairment of game intellectual properties and licenses and is the excess amount of the carrying amount of the game intellectual properties and licenses fees to the game developers over the cash flow projections to be generated in the remaining contractual period.

During the year ended 31 December 2025, certain game intellectual properties and licenses which belong to the segment of game and information services were fully or partly impaired and impairment losses of RMB1,636,000 (2024: RMB9,972,000) was charged to the consolidated statement of comprehensive income, as the Group has terminated its contract with content providers or further developing and launching these games would not generate sufficient profit to cover operation cost.

The Group's core strategy focuses on the publishing and self-development of exquisite games. Therefore, the Group has continuously adjusted and optimized its product layout in the future and gradually terminated products that are no longer in line with the Group's game business strategy in the future.

As certain game contracts have expired before 31 December 2025, the management expects that it is unlikely to reverse the impairment provision in the future, so part of the accumulated impairment of the game amounting to RMB19,328,000 (2024: RMB284,850,000) is written off, of which the related cost is RMB61,401,000 (2024:RMB335,859,000) and the responding accumulated amortization is RMB42,073,000 (2024: RMB51,009,000).

(c) As of 31 December 2025 and 2024, the Group's certain game intellectual properties and licenses with original cost of RMB223,279,000 and RMB10,882,000 respectively, the net amount of which were RMB3,990,000 and RMB6,166,000 respectively, were pledged to a bank to secure certain bank borrowings of the Group (Note 28), and they were fully amortized under the policy of the Group.

18 Financial instruments by category

	As of 31 December	
	2025	2024
	RMB'000	*RMB'000*
Assets as per consolidated statements of financial position		
Financial assets at amortized cost		
— Trade receivables *(Note 21)*	**207,037**	158,414
— Other receivables *(Note 3.1(b))*	**278,511**	316,183
— Restricted cash *(Note 24)*	**31,879**	65,179
— Cash and cash equivalents *(Note 23)*	**187,907**	196,926
Financial assets at fair value		
— Financial assets at fair value through profit or loss *(Note 20)*	**285,270**	323,841
	990,604	1,060,543
Liabilities as per consolidated statements of financial position		
Financial liabilities at amortized cost:		
— Borrowings *(Note 28)*	**1,015,887**	1,070,075
— Lease liabilities *(Note 15)*	**11,532**	7,753
— Trade payables *(Note 30)*	**178,817**	378,765
— Other payables and accruals (excluding payroll and welfare payables and other tax payables) *(Note 31)*	**112,928**	84,140
— Convertible bonds *(Note 29)*	**284,207**	275,608
Financial liabilities at fair value		
— Financial liabilities at fair value through profit or loss *(Note 32)*	**142,784**	126,201
	1,746,155	1,942,542

19 Investments accounted for using the equity method

	As of 31 December	
	2025	2024
	RMB'000	*RMB'000*
Associates *(a)*	**179,821**	149,786
Joint ventures *(b)*	**43,313**	37,969
	223,134	187,755

19 Investments accounted for using the equity method (Continued)

(a) Investments in associates

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
At the beginning of the year	**149,786**	275,405
Disposal and transfer *(i)*	**(14,637)**	(10,760)
Impairment *(ii)*	**(7,345)**	(105,496)
Share of results	**52,172**	(9,465)
Currency translation differences	**(155)**	102
At the end of the year	**179,821**	149,786

The Group directly hold solely ordinary shares of the associates. As of 31 December 2025 and 2024, the Group invested in 25 and 26 associates in each respective year.

Set out below is the associate of the group as at 31 December 2025, which is considered material to the Group as the investment amount exceeds 5% of the Group's net assets. The entity listed below has share capital consisting solely of ordinary shares, which are held directly by the group. The country of incorporation or registration is also their principal place of business of each entity, and the proportion of ownership interest is the same as the proportion of voting rights held.

				Percentage of ownership interest attributable to the Group		Fair value *RMB'000*		Carrying amount *RMB'000*	
				31 December		31 December		31 December	
Name	Place of business/ country of incorporation	Nature of relationship	Measurement method	**2025**	2024	**2025**	2024	**2025**	2024
Nanjing Chuangyi Qiaokang Equity Investment Partnership Enterprise (Limited Partnership)	Jiangsu, China	Associate*	Equity method	**49.50%**	49.50%	**252,311**	143,703	**124,894**	79,268

* Nanjing Chuangyi Qiaokang Equity Investment Partnership Enterprise (Limited Partnership) is a company that specializes in equity investments, focusing on identifying and supporting innovative and high-growth potential businesses.

19 Investments accounted for using the equity method (Continued)

(a) Investments in associates (Continued)

The tables below provide summarised financial information for the group's material associate. The information disclosed reflects the amounts presented in the financial statements of the relevant associate and not the Group's share of those amounts.

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Current assets	**9,149**	12,085
Non-current assets	**243,162**	132,872
Current liabilities	**—**	1,254
Net assets	**252,311**	143,703
Reconciliation to carrying amounts:		
Opening net assets 1 January	**143,703**	170,901
Profit for the period	**108,608**	(2,198)
Distribution	**—**	(25,000)
Closing net assets	**252,311**	143,703
Group's share in %	**49.5%**	49.5%
Group's share in RMB'000	**124,894**	71,133
Carrying amount	**124,894**	79,268
Profit for the period	**108,608**	(2,198)
Total comprehensive income	**108,608**	(2,198)

(i) Disposal

During the year ended 31 December 2025, The Group disposed certain investments from existing associates at considerations of RMB18,215,000 (2024: RMB17,432,000) and recognized disposal gain of RMB1,078,000 (2024 disposal gains of RMB8,630,000).

19 Investments accounted for using the equity method (Continued)

(a) Investments in associates (Continued)

(ii) Impairment

Both external and internal sources of information of associates are considered in assessing whether there is any indicator that the investments may be impaired, including but not limited to information about financial position and business performance of the associates, and a significant or prolonged decline in the fair value of an investment below its carrying amount is also objective evidence of impairment. The Group carries out impairment assessment on those investments with impairment indicators, and the respective recoverable amounts of investments are determined with reference to the higher of fair value less costs of disposal and value in use.

In respect of the recoverable amount using value in use, the discounted cash flows calculations are based on cash flow projections estimated by management and the key assumptions adopted in these cash flow projections include revenue growth rates, terminal growth rates and discount rates. In respect of the recoverable amount based on fair value less costs of disposal, the amount is calculated with reference to their respective market prices for listed investments, or using certain key valuation assumptions including the selection of comparable companies, recent market transactions, liquidity discounts adopted for lack of marketability for unlisted investments.

During the year ended 31 December 2025, the Group made impairment provisions of RMB7,345,000 (2024: RMB105,496,000) against the carrying amounts of one (2024: two) associates, which are principally engaged in mobile game development as well as derivative products, based on the results of impairment assessment performed on the carrying amount against its respective recoverable amount. The impairment loss mainly resulted from serious deterioration of operation due to the inability to generate sufficient cash flow from existing games and the inability to launch new games.

19 Investments accounted for using the equity method (Continued)

(a) Investments in associates (Continued)

(ii) *Impairment* (Continued)

Set out below are the top 5 associates of the Group as of 31 December 2025 and 2024.

Name	Place of incorporation/ Establishment	Issued shares/ Registered capital	Percentage of ownership interest attributable to the Group 31 December 2025	2024	Principal activities	Carrying amount RMB'000 31 December 2025	2024
Nanjing Chuangyi Qiaokang Equity Investment Partnership Enterprise (Limited Partnership)	Jiangsu	RMB200,000,000	49.50%	49.50%	Financing	124,894	79,268
Shenzhen Zero One Zhihe Technology Co., Ltd	Guangdong	RMB1,411,900	24.79%	24.79%	Software business	21,107	15,018
Hengqin Chuangmeng Qida Equity Investment Enterprise (Limited Partnership)	Guangdong	RMB309,933,077	1.43%	1.43%	Software business	8,531	8,647
Hangzhou Shizixing Cultural Creativity Co.,Ltd.	Hangzhou	RMB3,624,856	2.40%	2.40%	Software business	7,538	6,875
PROXY 42, INC.	The United States	USD2,326,128	10.00%	10.00%	Software business	6,809	7,070

(b) Investments in joint ventures

	Year ended 31 December 2025 RMB'000	2024 RMB'000
At the beginning of the year	37,969	54,628
Disposal and transfer *(i)*	(7,400)	(9,027)
Share of results	12,744	(7,632)
At the end of the year	43,313	37,969

19 Investments accounted for using the equity method (Continued)

(b) Investments in joint ventures (Continued)

(i) Disposal

During the year ended 31 December 2025, The Group disposed certain investments from existing joint ventures at considerations of RMB7,400,000 and recognized disposal losses of RMBnil (2024: considerations of RMB5,068,000 and disposal losses of RMB1,961,000).

Set out below are the joint ventures of the Group as of 31 December 2025 and 2024. The joint ventures as listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the Group's proportion of ownership interest is the same as the proportion of voting rights held by the Group. The share of profits of the joint ventures was not material to the Group. Therefore, in the opinion of the directors, none of the joint ventures is material to the Group.

As of 31 December 2025, there are only one joint ventures, and the details are set out below.

Name	Place of incorporation/ establishment	Issued shares/ Registered capital	Percentage of ownership interest attributable to the Group 31 December 2025	2024	Principal activities	Carrying amount RMB'000 31 December 2025	2024
Shenzhen iDreamSky Venture Investment Partnership (Limited Partnership)	Shenzhen	RMB104,000,000	**50.00%**	50.00%	Venture capital business	**43,313**	33,069

There were no contingent liabilities related to the Group's interest in the joint ventures as of 31 December 2025 and 2024.

20 Financial assets at fair value through profit or loss

Financial assets mandatorily measured at FVPL include the following:

	As of 31 December	
	2025	2024
	RMB'000	*RMB'000*
Non-current assets		
Investments in unlisted entities and private investment funds	**273,841**	296,661
Current assets		
Investments in listed entities	**11,429**	27,180
	285,270	323,841

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Included in non-current assets		
At the beginning of the year	**296,661**	325,743
Additions and transfer	**—**	3,000
Changes in fair value	**(15,076)**	(34,812)
Disposal	**(5,490)**	1,112
Currency translation differences	**(2,254)**	1,618
At the end of the year	**273,841**	296,661
Included in current assets		
At the beginning of the year	**27,180**	73,145
Changes in fair value	**(15,033)**	(46,588)
Disposal	**(344)**	—
Currency translation differences	**(374)**	623
At the end of the year	**11,429**	27,180

The investments in listed entities included in current assets comprised shares traded on the listed market.

20 Financial assets at fair value through profit or loss (Continued)

The investments in unlisted entities included in non-current assets comprised private investment funds and some investments in private entities mainly operated in the PRC, USA and Korea in form of ordinary shares and convertible redeemable preferred shares. The preferred shares are convertible into ordinary shares anytime at the option of the holder, or automatically in the event of an initial public offering ("**IPO**") of the investees. The preferred shares are redeemable at the option of the Group if there is no IPO of investees after several years from the dates of investment, and therefore are accounted for the investment in those investees as financial assets at fair value through profit or loss. For other minority interests in private companies, the Group elected the fair value method at the date of initial recognition and carried these investments subsequently at fair value. Changes in fair value are reflected in the consolidated statement of comprehensive income. These companies are engaged in technology, game developing and other internet-related services.

21 Trade receivables

	As of 31 December	
	2025	2024
	RMB'000	*RMB'000*
Third parties	**207,058**	320,715
Related parties *(Note 37(c))*	**13,407**	2,077
	220,465	322,792
Less: provision for impairment *(b)*	**(13,428)**	(164,378)
	207,037	158,414

(a) The credit terms of trade receivables granted by the Group are generally 3 months. Aging analysis based on recognition date of the gross trade receivables at the respective reporting date are as follows:

	As of 31 December	
	2025	2024
	RMB'000	*RMB'000*
Within 3 months	**202,505**	102,335
3 months to 1 year	**13,282**	697
1 to 2 years	**957**	53,119
2 to 3 years	**3,719**	166,536
Over 3 years	**2**	105
	220,465	322,792

21 Trade receivables (Continued)

(b) The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. The Group overall considers the shared credit risk characteristics and the days past due of each type of the trade receivables to measure the expected credit losses. During the years ended 31 December 2025 and 2024, the expected losses rate for trade receivables are determined according to provision matrix as follows:

	Year ended 31 December 2025			
	Third party distribution channels	**Advertising customers**	**Third-party payment channels and mobile carriers**	**Related parties**
Within 3 months	**4.61%**	**2.76%**	**1.07%**	**1.06%**
3 months to 1 year	**23.64%**	**14.18%**	**0.00%**	**0.00%**
1 to 2 years	**61.09%**	**28.99%**	**0.00%**	**0.00%**
2 to 3 years	**97.30%**	**61.07%**	**98.92%**	**0.00%**
Over 3 years	**100.00%**	**100.00%**	**0.00%**	**NA**

	Year ended 31 December 2024			
	Third party distribution channels	Advertising customers	Third-party payment channels and mobile carriers	Related parties
Within 3 months	4.69%	2.19%	1.44%	0.90%
3 months to 1 year	20.80%	11.08%	9.18%	1.37%
1 to 2 years	58.30%	20.16%	50.83%	1.98%
2 to 3 years	88.54%	44.32%	0.00%	0.00%
Over 3 years	100.00%	100.00%	0.00%	NA

21 Trade receivables (Continued)

(b) (Continued)

Movements in the provision for impairment of trade receivables are as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
At the beginning of the year	**164,378**	177,141
Provision for impairment *(i)*	**63,792**	168,041
Receivables written off during the period as uncollectible *(ii)*	**(214,619)**	(180,804)
Foreign currency translation difference	**(123)**	—
At the end of the year	**13,428**	164,378

(i) Including impairment provided individually of RMB54,599,000 (2024:RMB75,138,000) and impairment on collective basis of RMB9,193,000 (2024:RMB92,903,000). The provisions for impaired receivables have been included in "net impairment losses on financial assets" in the consolidated statement of comprehensive income.

(ii) The Group wrote off trade receivables of RMB214,619,000 as there was no reasonable expectation of recovery due to the insufficient solvency among some customers and business partners impacted by macroeconomic deterioration and adverse changes in the industry ecosystem. The Group continues to engage in enforcement activity to recover the due receivable.

(c) The carrying amount of the Group's trade receivables is denominated in the following currencies:

	As of 31 December	
	2025	2024
	RMB'000	*RMB'000*
RMB	**131,416**	317,999
USD	**89,049**	4,793
	220,465	322,792

(d) As of 31 December 2025 and 2024, the fair values of trade receivables approximate their carrying amounts. The maximum exposure to credit risk at each of the reporting date is the carrying value of the net receivable balance.

(e) As of 31 December 2025 and 2024, trade receivables of RMB23,660,000 and RMB66,543,000 respectively were pledged to banks to secure certain bank facilities granted to the Group (Note 28).

22 Prepayments and other receivables

	As of 31 December	
	2025	2024
	RMB'000	*RMB'000*
Prepayments		
Prepaid revenue sharing to content providers *(a)*	**466,073**	548,984
Prepaid advertising expenses *(b)*	**313,471**	333,431
Prepayment for game contents	**49,713**	50,000
Prepayment to related parties *(Note 37(c))*	**—**	6,604
Recoverable value-added tax	**876**	5,577
Others	**3,412**	30,356
	833,545	974,952
Less: provision for impairment *(e)*	**(30,461)**	(98,980)
	803,084	875,972
Less: non-current Prepayment	**—**	—
	803,084	875,972
Other receivables		
Loans to third parties *(c)*	**123,460**	164,454
Loans to shareholders	**126,566**	124,326
Amounts due from related parties *(Note 37(c))*	**9,742**	9,396
Rental and other deposits	**3,673**	5,089
Loans to employees *(d)*	**1,857**	890
Others	**25,972**	22,778
	291,270	326,933
Less: provision for impairment *(Note 3.1b)*	**(12,759)**	(10,750)
	278,511	316,183
Less: non-current other receivables	**(150,169)**	(121,960)
	128,342	194,223

22 Prepayments and other receivables (Continued)

(a) The Group licenses online games from game developers and pays sharing of proceeds earned from selling in-game virtual items to game developers. Those prepaid revenue sharing are expensed and recorded into "cost of revenues" on incurred basis.

(b) The Group engaged various online advertising suppliers and made prepayments in exchange for better advertising opportunities and resources in some arrangements. Such amounts are recognized as "selling and marketing expenses" when the advertising services are rendered.

(c) Loans to third parties represented the loans provided to a number of third parties, which were mainly unsecured, interest free.

(d) Loans to employees mainly represent advances to employees for various expenses to be incurred in the ordinary course of business and housing loans to certain employees. These loans are unsecured, interest-free and to be repaid in 1 to 5 years from the grant dates.

(e) Movements in the provision for impairment of prepayments as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
At the beginning of the year	**98,980**	199,656
Provision for impairment	**27,534**	32,738
Written off during the year	**(96,053)**	(133,414)
At the end of the year	**30,461**	98,980

During the year ended 31 December 2025 and 2024, certain game intellectual properties and licenses which belong to the segment of game and information services were fully or partly impaired and impairment losses of RMB995,000 (2024:RMB19,251,000) was charged to cost of revenues in the consolidated statement of comprehensive income, as further developing and launching these games would not generate sufficient profit to cover related operation cost.

During the year ended 31 December 2025, impairment losses of RMB26,539,000 (2024: RMB13,487,000) on prepaid advertising expenses were recorded as selling expenses (Note 7).

The Group's core strategy focuses on the publishing and self-development of exquisite games. Therefore, the Group has continuously adjusted and optimized its product layout in the future and gradually terminated products that are no longer in line with the Group's game business strategy in the future.

(f) As of 31 December 2025 and 2024, the carrying amount of other receivables were primarily denominated in RMB and USD and approximated their fair value at each of the reporting date.

23 Cash and cash equivalents

	As of 31 December	
	2025	2024
	RMB'000	*RMB'000*
Cash at bank and on hand	**187,893**	196,916
Due from other financial institutions	**14**	10
	187,907	196,926

Cash and cash equivalents are denominated in the following currencies:

	As of 31 December	
	2025	2024
	RMB'000	*RMB'000*
RMB	**162,808**	195,221
USD	**8,118**	1,041
HKD	**16,981**	664
	187,907	196,926

24 Restricted cash

As at 31 December 2025, restricted deposits held at banks of RMB31,879,000 (31 December 2024: RMB65,179,000) were placed mainly due to borrowings pledged.

25 Share capital, share premium and treasury shares

	Number of shares	Nominal value of shares	Equivalent nominal value of shares	Share premium	Treasury shares	Group total
		USD'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Authorised:						
As of 31 December 2025 and 2024	5,000,000,000	500	—	—	—	—
Issued and fully paid:						
As of 31 December 2023	1,574,575,545	157	1,024	3,747,776	(3,184)	3,745,616
Shares vested for share incentive scheme *(a, Note 27(a))*	—	—	—	(4)	4	—
Issuance of ordinary shares *(c)*	119,850,400	12	80	232,491	—	232,571
Acquisition of treasury shares *(b)*	(2,533,200)	—	—	(4,566)	(5,485)	(10,051)
Cancellation of shares *(b)*	(4,575,600)	—	—	(8,599)	8,599	—
As of 31 December 2024	1,687,317,145	169	1,104	3,967,098	(66)	3,968,136
Shares vested for share incentive scheme *(a, Note 27(a))*	—	—	—	—	—	—
Issuance of ordinary shares *(c)*	377,088,520	10	269	327,886	—	328,155
Acquisition of treasury shares *(b)*	—	—	—	—	(37,769)	(37,769)
As of 31 December 2025	2,064,405,665	179	1,373	4,294,984	(37,835)	4,258,522

(a) There are 306,672 shares and 5,698,191 shares vested during the year ended 31 December 2025 and 2024, the remaining treasury shares of the Group are 23,390,000 and 2,533,200 as of 31 December 2025 and 2024.

(b) During the year ended 31 December 2025, the Group bought back a total of 20,856,800 (2024: 5,978,000) ordinary shares of the Company that listed on the HKEX. The total amount paid to buy back these ordinary shares was HKD35,791,000 (equivalent to RMB33,054,000) (2024: HKD11,029,320 (equivalent to RMB10,051,000)). 3,444,800 shares bought back on January 2024 and 1,130,800 shares bought during the year ended 31 December 2023 were cancelled on 3 June 2024 and resulted in the decrease in the Company's share capital and share premium of RMB8,598,000.

25 Share capital, share premium and treasury shares (Continued)

(c) On 15 May 2025, an aggregate of 100,252,800 placing shares have been placed to no less than six independent investors at the placing price of HKD0.72 per placing share pursuant to the terms and conditions of the placing agreement at a total consideration of HKD72,182,000. The proceeds from the placing were used to for the research and development and overseas publishing of key products. On 29 September 2025, an aggregate of 69,775,600 subscription shares have been alloted and issued to the subscriber at the issue price of HKD1.098 per subscription share at a total consideration of HKD76,614,000. The total proceeds from the subscription were used to cover the operation and promotion expenses of game products and general working capital.

On 28 July 2025 and on 29 September 2025, an aggregate of 38,085,937 and 166,440,983 subscription shares have been alloted and issued to the subscriber at the issue Price of HKD1.024 and HKD1.098 per subscription share respectively at a total consideration of HKD221,752,000, in order to set off, on a pro-rata basis, the royalty fees payable by one of the subsidiaries of the group to the subscriber.

26 Reserves

	Capital reserves *RMB'000*	Statutory reserves *RMB'000*	Translation differences *RMB'000*	Other reserves *RMB'000*	Total reserves *RMB'000*
As of 1 January 2024	261,455	103,444	75,057	496,417	936,373
Share-based compensation expenses *(Note 27)*	—	—	—	15,569	15,569
Profit appropriation to statutory reserves	—	656	—	—	656
Currency translation differences	—	—	18,656	—	18,656
As of 31 December 2024	261,455	104,100	93,713	511,986	971,254
As of 1 January 2025	**261,455**	**104,100**	**93,713**	**511,986**	**971,254**
Share-based compensation expenses *(Note 27)*	**—**	**—**	**—**	**6,687**	**6,687**
Profit appropriation to statutory reserves	**—**	**1,827**	**—**	**—**	**1,827**
Currency translation differences	**—**	**—**	**(12,229)**	**—**	**(12,229)**
As of 31 December 2025	**261,455**	**105,927**	**81,484**	**518,673**	**967,539**

26 Reserves (Continued)

In accordance with the Companies Laws of the PRC and the stipulated provisions of the articles of association of subsidiaries with limited liabilities in the PRC, appropriation of net profits (after offsetting accumulated losses from prior years) should be made by these companies to their respective Statutory Surplus Reserve Funds and the Discretionary Reserve Funds before distributions are made to the owners. The percentage of appropriation to Statutory Surplus Reserve Fund is 10%. The amount to be transferred to the Discretionary Reserve Fund is determined by the equity owners of these companies. When the balance of the Statutory Surplus Reserve Fund reaches 50% of the registered capital, such transfer needs not to be made. Both the Statutory Surplus Reserve Fund and Discretionary Reserves Fund can be capitalized as capital of an enterprise, provided that the remaining Statutory Surplus Reserve Fund shall not be less than 25% of the registered paid in capital.

In addition, in accordance with the Law of the PRC on Enterprises with Foreign Investments and the stipulated provisions of the articles of association of wholly owned foreign subsidiaries in the PRC, appropriation from net profits (after offsetting accumulated losses brought forward from prior years) should be made by these companies to their respective Reserve Fund. The percentage of net profit to be appropriated to the Reserve Fund is not less than 10% of the net profit. When the balance of the Reserve Fund reaches 50% of the registered capital, such transfer needs not be made. With approvals obtained from respective boards of directors of these companies, the Reserve Fund can be used to offset accumulated deficit or to increase capital.

27 Share-based payments

(a) 2018 Share Incentive Plan

On 18 May 2018, the Company issued and allotted an aggregate of 8,627,045 shares (86,270,450 shares after additional share issuance on 6 December 2018) to the RSUs Holding Entities for employee incentive plan purpose.

During the year ended 31 December 2019, RSUs Holding Entities granted aggregate of 16,492,066 shares to employees, among which 2,601,251 shares are without vesting conditions. Out of the remaining 13,890,815 shares, the vesting period for 75,362 shares is 1 year and the vesting schedule is 100% after 12 months from original grant date; the vesting period for 6,855,065 shares is 3 years, and the vesting schedule is 1/3 after 12 months from original grant date and the remaining 2/3 will vest in 2 equal installments over the next 2 years; the vesting period for 6,960,388 shares is 4 years, and the vesting schedule is 25% after 12 months from original grant date and remaining 75% will vest in 3 equal installments over the next years. The Group recorded RMB100,301,000 share-based compensation expense accordingly during the year ended 31 December 2019.

27 Share-based payments (Continued)

(a) 2018 Share Incentive Plan (Continued)

During the year ended 31 December 2020, RSUs Holding Entities granted aggregate of 18,566,947 shares to employees, among which 3,647,147 shares are without vesting conditions. Out of the remaining 14,919,800 shares, the vesting period for 112,779 shares is 1 year and the vesting schedule is 100% after 12 months from original grant date; the vesting period for 24,000 shares is 2 years, and the vesting schedule is 50% after 12 months from original grant date and the remaining 50% will vest after 24 months from original grant date; the vesting period for 8,373,322 shares is 3 years, and the vesting schedule is 1/3 after 12 months from original grant date and remaining 2/3 will vest in 2 equal installments over the next 2 years; the vesting period for 6,409,699 shares is 4 years, and the vesting schedule is 25% after 12 months from original grant date and remaining 75% will vest in 3 equal installments over the next years. The Group recorded RMB89,460,000 share-based compensation expense accordingly during the year ended 31 December 2020.

During the year ended 31 December 2021, RSU Holding Entities granted aggregate of 8,085,721 shares to employees, among which 4,465,700 shares are without vesting conditions. Out of the remaining 3,620,021 shares, the vesting period for 800,000 shares is 1 year and the vesting schedule is 100% after 12 months from original grant date; the vesting period for 2,484,021 shares is 3 years, and the vesting schedule is 1/3 after 12 months from original grant date and remaining 2/3 will vest in 2 equal installments over the next 2 years; the vesting period for 336,000 shares is 4 years, and the vesting schedule is 25% after 12 months from original grant date and remaining 75% will vest in 3 equal installments over the next 3 years.

During the year ended 31 December 2022, RSU Holding Entities granted aggregate of 1,470,180 shares to employees, among which 90,180 shares are without vesting conditions. Out of the remaining 1,380,000 shares, the vesting period for 1,300,000 shares is 2 year and the vesting schedule is 50% after 12 months from original grant date and the remaining 50% will vest after 24 months from original grant date; the vesting period for 80,000 shares is 3 years, and the vesting schedule is 1/3 after 12 months from original grant date and remaining 2/3 will vest in 2 equal installments over the next 2 years.

During the year ended 31 December 2023, RSU Holding Entities granted aggregate of 700,000 shares to employees, the vesting period for 700,000 shares is 3 years, and the vesting schedule is 1/3 after 12 months from original grant date and remaining 2/3 will vest in 2 equal installments over the next 2 years.

During the year ended 31 December 2024, RSU Holding Entities did not grant shares to employees. The total amount to be expensed is determined by reference to the market price of the Company's shares at the grant date. The Group recorded RMB894,108 share-based compensation expense accordingly during the year ended 31 December 2024 (2023: RMB6,108,000).

27 Share-based payments (Continued)

(a) 2018 Share Incentive Plan (Continued)

During the year ended 31 December 2025, RSU Holding Entities did not grant shares to employees. The total amount to be expensed is determined by reference to the market price of the Company's shares at the grant date. The Group recorded RMB203,338 share-based compensation expense accordingly during the year ended 31 December 2025 (2024: RMB894,108)

Movement in the number of awarded shares for the year ended 31 December 2025 and 2024 is as follows:

	Year ended 31 December	
	2025	2024
At the beginning of the year	**397,238**	6,062,191
Granted	**—**	—
Vested	**(306,672)**	(5,664,953)
Forfeited	**(90,566)**	—
At the end of the year	**—**	397,238

(b) 2023 Share Option Plan

On 30 June 2023 (the "**Adoption Date**"), the Company adopted a new share option scheme (the "**2023 New Share Option Scheme**"), which shall be valid and effective for a period of ten years commencing on the Adoption Date.

On 28 July 2023, the Company granted 8,880,000 share options to certain employees under the 2023 New Share Option Scheme. The vesting schedule for 3,380,000 share options is on July 28 2024; the vesting schedule for 1,800,000 share options is to be vested within three years from the date of grant, shall not less than 12 months from the date of grant; the vesting schedule for 3,700,000 is to be vested within four years from the date of grant, shall not less than 12 months from the date of grant

27 Share-based payments (Continued)

(b) 2023 Share Option Plan (Continued)

On 25 January 2024, the Company granted 16,581,400 share options to certain employees and directors under the 2023 New Share Option Scheme. The vesting period for 16,201,400 share options is on 15 April 2025; the vesting period for 380,000 share options is within 3 years from 2025 to 2027, shall not less than 12 months from the date of grant.

On 6 June 2024, the Company granted 8,278,500 share options to certain employees under the 2023 New Share Option Scheme. The vesting period for 8,278,500 share options is 2 years and the vesting schedule is 2 equal installments over the next 2 years.

On 12 September 2024, the Company granted 300,000 share options to certain employees under the 2023 New Share Option Scheme. The vesting period for 300,000 share options is 2 years and the vesting schedule is 2 equal installments over the next 2 years, shall not less than 12 months from the date of grant.

On 23 January 2025, the Company granted 6,245,000 share options to certain employees under the 2023 New Share Option Scheme. The vesting period for 6,245,000 share options is 1 years and the vesting schedule is on 15 April 2026.

On 27 May 2025, the Company granted a total of 17,000,000 share options to the CEO, certain directors, and employees. All options granted to the CEO are subject to a market-based performance condition linked to the Company's share price. The share options granted to directors and employees have a three-year vesting period, vesting in three tranches of 30%, 30% and 40% respectively. The first tranche is subject to the condition that cumulative operating profit is positive. The subsequent two tranches are subject to the condition that the Company's adjusted net profit meets the target. Some of the share options are also subject to adjustments to business turnover or profit targets.

On 3 September 2025, the Company granted 900,000 share options to certain employees under the 2023 New Share Option Scheme. The vesting period for 900,000 share options is to be vested within 2 years from the date of grant, shall not less than 12 months from the date of grant.

On 7 November 2025, the Company granted 10,948,500 share options to certain employees under the 2023 New Share Option Scheme, subject to the following vesting terms: 3,880,000 share options will vest after 12 months from the original grant date; 2,100,000 share options will vest in two equal annual installments over the next 2 years, with the vesting percentage for each installment; 4,068,500 options will vest in two installments, the first installment vesting after 12 months and the second installment vesting after 24 months; and 900,000 share options will vest in three equal annual installments over the next 3 years.

Certain performance conditions shall be applicable to the vesting of some share options described above.

27 Share-based payments (Continued)

(b) 2023 Share Option Plan (Continued)

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	Average exercise price	Number of share options
At 1 January 2025	**HKD2.40**	**29,789,900**
Granted	**HKD0.95**	**35,093,500**
Exercised	**—**	**—**
Forfeited	**HKD2.58**	**(22,844,928)**
At 31 December 2025	**HKD1.78**	**42,038,472**
Exercisable as 31 December 2025	**HKD2.34**	**8,099,972**

No options expired during the periods covered by the above tables.

	Average exercise price	Number of share options
At 1 January 2024	HKD3.86	8,880,000
Granted	HKD2.06	25,159,900
Exercised	—	—
Forfeited	HKD3.46	(4,250,000)
At 31 December 2024	HKD2.40	29,789,900
Exercisable as 31 December 2024	HKD4.21	3,860,000

27 Share-based payments (Continued)

(b) 2023 Share Option Plan (Continued)

Outstanding share options

Details of the expiry dates, exercise prices and the respective numbers of share options which remained outstanding as at 31 December 2025 are as follows:

Expiry Date	Range of exercise price	Number of share options Year ended 31 December 2025
1 years commencing from the date of grant of options	HKD0.808~HKD1.654	**18,630,972**
2 years commencing from the date of grant of options	HKD0.808~HKD3.01	**7,183,500**
3 years commencing from the date of grant of options	HKD0.748~HKD1.592	**16,014,000**
4 years commencing from the date of grant of options	HKD3.58	**210,000**
		42,038,472

Expiry Date	Range of exercise price	Number of share options Year ended 31 December 2024
1 years commencing from the date of grant of options	HKD1.592~HKD4.92	19,331,400
2 years commencing from the date of grant of options	HKD2.04~HKD3.01	8,578,500
3 years commencing from the date of grant of options	HKD1.592~HKD3.58	1,180,000
4 years commencing from the date of grant of options	HKD3.58	700,000
		29,789,900

27 Share-based payments (Continued)

(b) 2023 Share Option Plan (Continued)

Fair value of options

The total amount to be expensed is determined by reference to the fair value of the options granted by using option-pricing model, "Enhanced FAS 123" binomial model (the "**Binomial Model**"), which includes the impact of market performance conditions (such as the Company's share price) but excludes the impact of service condition and non-market performance conditions.

The weighted average fair value of options granted during the year ended 31 December 2025 was HKD0.41 per share (equivalent to approximately RMB0.37 per share).

The total amount to be expensed is determined by the fair value of options. The Group recorded RMB6,483,000 share-based compensation expense accordingly during the year ended 31 December 2025 (2024: RMB15,569,000).

The Group also adopts valuation and actuarial techniques to assess the fair value of other equity instruments of the Group granted under the share-based compensation plans as appropriate. Other than the exercise price mentioned above, significant judgments on parameters, such as risk-free rate, dividend yield and expected volatility, were required to be made by the directors in applying the Binomial Model, which are summarised as below:

	Year ended 31 December 2025	Year ended 31 December 2024
Weighted average share price at the grant date	**HKD0.9**	HKD2.01
Risk free rate	**3.08%**	2.72%
Dividend yield	**0.00%**	0.00%
Expected volatility *(Note)*	**49.6%**	50.03%

Note: The expected volatility, measured as the standard deviation of expected share price returns, is determined based on the average daily trading price volatility of the shares of the Company.

Expected retention rate

The Group has to estimate the expected yearly percentage of grantees that will stay within the Group at the end of the vesting periods of the share options (the "**Expected Retention Rate**") in order to determine the amount of share-based compensation expenses charged to the consolidated statement of comprehensive income. As at 31 December 2025, the Expected Retention Rate was assessed to be 96%.

28 Borrowings

	As of 31 December	
	2025	2024
	RMB'000	*RMB'000*
Included in non-current liabilities		
Secured bank borrowings *(a)*	**130,314**	123,329
	130,314	123,329
Included in current liabilities		
Secured bank borrowings *(a)*	**822,558**	903,746
Current portion of long-term bank borrowings, secured *(a)*	**63,015**	28,000
Secured other borrowings	**—**	15,000
	885,573	946,746
	1,015,887	1,070,075

As at 31 December 2025, the Group's long-term bank borrowings bear weighted average interest rate of 3.55% (2024: 3.79%) per annum, and the short-term bank borrowings bear weighted average interest rate of 3.50% (2024: 4.46%) per annum.

(a) The pledge and guarantee related to bank borrowings is as follows:

	Bank borrowings as of 31 December	
	2025	2024
	RMB'000	*RMB'000*
Secured by deposits and the shares of subsidiaries of the Company	**84,178**	133,616
Guaranteed by the Company, and/or certain subsidiaries of the Company	**294,180**	297,740
Secured by the pledge of assets of the Group (including trade receivables, intellectual properties and licenses or term deposits), and/or guaranteed by the Company and/or its subsidiaries	**637,529**	573,719
Secured by certificate of deposit	**—**	50,000
	1,015,887	1,055,075

28 Borrowings (Continued)

(b) The maturity of borrowings is as follows:

	As of 31 December	
	2025	2024
	RMB'000	*RMB'000*
Within 1 year	**885,573**	946,746
Between 1 and 2 years	**64,029**	47,015
Between 2 and 5 years	**30,090**	30,090
Above 5 years	**36,195**	46,224
	1,015,887	1,070,075

(c) The carrying amount of the Group's borrowings is denominated in the following currencies:

	As of 31 December	
	2025	2024
	RMB'000	*RMB'000*
RMB	**1,015,887**	1,070,075

The Group has complied with the financial covenants of its bank loans during both periods presented, see Note 3.2 for details.

29 Convertible bonds

On 24 July 2023, the Group entered into a subscription agreement for HKD-settled convertible bonds in an aggregate principal amount of HKD386,000,000 (equivalent to approximately RMB352,804,000) due 24 July 2028 ("**the 2028 Convertible Bonds**"), with an initial conversion price of HKD3.64 per share. The 2028 Convertible Bonds bear interest rate of 5% per annum, payable semi-annually, with maturity of 5 years from the issuance date and can be converted into shares of the Company at the holder's option at any time on or after the date which is 41 days after the issuance date up to the close of business on the date falling seven days prior to the maturity date at an initial conversion price of HKD3.64 per share. On 24 July 2023, the 2028 Convertible Bonds were issued. The holder of each 2028 Convertible Bonds will have the right at holder's option, to require the Group to redeem all or some only of such holder's bonds on 24 July 2026. On 23 July 2024, the Group entered into a placing agreement whereby placees would subscribe for the placing shares at the placing price of HKD2.15 per share. In light of the issue of the placing shares at the placing price of HKD2.15 per placing share, the conversion price of the Convertible Bonds was adjusted from HKD3.64 to HKD3.58 per share, and that such adjustment became effective as at 31 July 2024.

29 Convertible bonds (Continued)

The 2028 Convertible Bonds was recognized as liability component and equity component as follows:

- The initial value of the liability component was calculated using a market interest rate for an equivalent non-convertible bond of the Group. Embedded financial derivatives, comprised the fair value of the option of the holders of the 2028 Convertible Bonds to require the Company to redeem the 2028 Convertible Bonds; and the fair value of the option of the Company to redeem the 2028 Convertible Bonds. These embedded redemption options are closely related to the host debt as the redemption amount is principal amount together with accrued but unpaid interest, therefore they are not able to be accounted for separately. The initial value of the liability component and the fair value of the embedded redemption options were recognized as a single liability component, and it subsequently carried at amortized cost.

- Equity component, being the conversion option of the 2028 Convertible Bonds, initially recognized at the residual amount after deducting the value of the aforesaid single liability component from the net proceeds at the initial recognition.

Movement of the 2028 Convertible Bonds is set out as follows:

	Liability *RMB'000*	Other reserves *RMB'000*	Total *RMB'000*
As of 1 January 2024	237,297	126,702	363,999
Interest expenses	50,993	—	50,993
Coupon interests paid	(17,584)	—	(17,584)
Currency translation differences	4,902	—	4,902
As of 31 December 2024	275,608	126,702	402,310
As of 1 January 2025	**275,608**	**126,702**	**402,310**
Interest expenses	**32,823**	**—**	**32,823**
Coupon interests paid	**(17,510)**	**—**	**(17,510)**
Currency translation differences	**(6,714)**	**—**	**(6,714)**
As of 31 December 2025	**284,207**	**126,702**	**410,909**

Interest expense is calculated by applying the effective interest rate of 16.07% per annum to the liability component.

As of 31 December 2025, there has been no conversion of the 2028 Convertible Bonds.

30 Trade payables

	As of 31 December	
	2025	2024
	RMB'000	*RMB'000*
Third parties	**155,703**	360,903
Related parties *(Note 37(c))*	**23,114**	17,862
	178,817	378,765

Trade payables are primarily related to the purchase of services for server custody, game licenses, and the revenue collected by the Group which is to be shared to cooperated game developers according to respective cooperation agreements. The credit terms of trade payables granted to the Group are usually 3 months.

(a) The aging analysis of trade payables based on recognition date is as follows:

	As of 31 December	
	2025	2024
	RMB'000	*RMB'000*
Within 3 months	**76,232**	108,944
3 months to 1 year	**99,713**	147,700
1 to 2 years	**360**	120,393
2 to 5 years	**2,512**	1,728
	178,817	378,765

(b) The carrying amount of the Group's trade payables is denominated in the following currencies:

	As of 31 December	
	2025	2024
	RMB'000	*RMB'000*
RMB	**178,817**	377,288
USD	**—**	1,477
	178,817	378,765

(c) As of 31 December 2025 and 2024, the fair value of trade payables approximated to their carrying amount.

31 Other payables and accruals

	As of 31 December	
	2025	2024
	RMB'000	*RMB'000*
Other payables to construction in progress	**62,961**	29,564
Payroll and welfare payables	**32,928**	51,768
Other tax payables	**22,314**	21,397
Advance from business partners	**12,409**	12,286
Loan from third parties	**10,878**	939
Professional service fee payable	**9,027**	4,289
Accrued Expenses	**7,596**	728
Other payables due to related parties *(Note 37(c))*	**5,458**	31,596
Interest payable	**648**	44
Others	**3,951**	4,694
	168,170	157,305

As of 31 December 2025 and 2024, other payables and accruals were denominated in RMB and USD and the fair values of these balances approximated to their carrying amounts.

32 Financial liabilities at fair value through profit or loss

	As of 31 December	
	2025	2024
	RMB'000	*RMB'000*
Financial guarantee contracts *(a)*	**81,994**	72,767
Derivative *(b)*	**60,790**	53,434
	142,784	126,201

(a) It represents the financial guarantee provided to the new shareholders of a disposed subsidiary operated IP derivatives business (the "**discontinued operation**") in 2023. The management of the Group irrevocably designated these financial guarantee contracts as measured at fair value through profit or loss at their initial recognition.

(b) It represents derivative liabilities arising from contingent put arrangements with a shareholder of above discontinued operation disposed in 2023.

33 Contract costs and liabilities

	As of 31 December	
	2025	2024
	RMB'000	*RMB'000*
Contract costs:		
Costs to obtain contracts for games	**16,849**	49,143
Contract liabilities:		
Game publishing	**48,485**	44,105
Game development	**4,054**	63,364
	52,539	107,469

(a) Significant changes in contract costs and liabilities

Contract costs mainly represents the unamortized commissions charged by the Platforms and costs incurred for game development service.

Contract liabilities primarily consist of the unamortized revenue from sales of virtual items for mobile games, where there is still an implied obligation to be provided by the Group over time.

(b) Revenues recognized in relation to contract liabilities

The following table shows the amount of revenues recognized in the consolidated statement of comprehensive income for the respective years relating to contract liabilities brought forward:

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Revenues recognized that was included in the contract liabilities balance at the beginning of the year		
Game publishing	**44,105**	45,456
Game development	**59,310**	61,930
	103,415	107,386

34 Deferred income tax

(a) Deferred tax assets

The analysis of deferred income tax assets are as follows:

	As of 31 December	
	2025	2024
	RMB'000	*RMB'000*
The balance comprises temporary differences attributable to:		
Impairment provisions	**18,039**	21,315
Tax losses	**62,728**	55,508
Intangible assets amortization	**11,718**	12,810
Fair value losses on financial assets at fair value through profit or loss	**12,414**	13,208
Accrued expenses	**9,168**	11,780
Lease liabilities	**1,767**	1,229
Total deferred tax assets	**115,834**	115,850
Set-off of deferred tax liabilities	**(4,011)**	(2,850)
Deferred tax assets, net	**111,823**	113,000

34 Deferred income tax (Continued)

(a) Deferred tax assets (Continued)

The movements in deferred income tax assets, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

	Deferred income tax assets *RMB'000*	Deferred income tax liabilities *RMB'000*	Deferred income tax, net *RMB'000*
At 1 January 2025	**115,850**	**(2,850)**	**113,000**
Recognized in profit or loss	**(16)**	**(1,161)**	**(1,177)**
At 31 December 2025	**115,834**	**(4,011)**	**111,823**
At 1 January 2024	126,701	(16,162)	110,539
Recognized in profit or loss	(10,851)	13,312	2,461
At 31 December 2024	115,850	(2,850)	113,000

34 Deferred income tax (Continued)

(a) Deferred tax assets (Continued)

The movements of deferred income tax assets before offsetting are as follows:

	Deferred income tax assets on temporary differences arising from							
	Contract liabilities	Intangible assets amortization	Impairment provisions	Fair value losses on financial assets at fair value through profit or loss	Accrued expenses	Lease liabilities	Unused losses carried forward	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	**–**	**12,810**	**21,315**	**13,208**	**11,780**	**1,229**	**55,508**	**115,850**
Recognized in profit or loss	**–**	**(1,092)**	**(3,276)**	**(794)**	**(2,612)**	**538**	**7,220**	**(16)**
At 31 December 2025	**–**	**11,718**	**18,039**	**12,414**	**9,168**	**1,767**	**62,728**	**115,834**
At 1 January 2024	6,818	13,085	23,355	21,089	22,727	3,299	36,328	126,701
Recognized in profit or loss	(6,818)	(275)	(2,040)	(7,881)	(10,947)	(2,070)	19,180	(10,851)
At 31 December 2024	–	12,810	21,315	13,208	11,780	1,229	55,508	115,850

34 Deferred income tax (Continued)

(b) Deferred tax liabilities

	As of 31 December	
	2025	2024
	RMB'000	*RMB'000*
The balance comprises temporary differences attributable to:		
Contract costs	**2,028**	1,663
Fair value gains on financial assets at fair value through profit or loss	**249**	249
Right-of-use assets	**1,734**	938
Total deferred tax liabilities	**4,011**	2,850
Set-off of deferred tax assets	**(4,011)**	(2,850)
Deferred tax liabilities, net	**—**	—

34 Deferred income tax (Continued)

(b) Deferred tax liabilities (Continued)

The movements in deferred income tax liabilities, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

	Deferred income tax liabilities on temporary differences arising from			
	Contract costs	Fair value gains on financial assets at fair value through profit or loss	Right-of-use assets	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	**(1,663)**	**(249)**	**(938)**	**(2,850)**
Recognized in profit or loss	**(365)**	**—**	**(796)**	**(1,161)**
At 31 December 2025	**(2,028)**	**(249)**	**(1,734)**	**(4,011)**
At 1 January 2024	(9,926)	(2,977)	(3,259)	(16,162)
Recognized in profit or loss	8,263	2,728	2,321	13,312
At 31 December 2024	(1,663)	(249)	(938)	(2,850)

(c) Deferred income tax assets are recognized for tax losses carrying forwards and deductible temporary differences to the extent that realisation of the related tax benefits through the future taxable profits is probable. During the year ended 31 December 2025 and 2024, the Group did not recognize deferred income tax assets in respect of losses of approximately RMB39,386,000 and RMB584,225,000 respectively. The tax losses as of 31 December 2025 amounting to RMB307,021,000 can be carried forward indefinitely, and the remaining amount of RMB3,611,781,000 will expire from year 2025 to 2029 (2024: RMB292,517,000, indefinitely; 3,583,980,000 will expire from year 2024 to 2028).

35 Cash generated from operations

(a) Reconciliation of net profit/(loss) to cash inflow from operating activities:

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Profit/(loss) for the year	**19,918**	(544,604)
Adjustments for:		
— Depreciation of property, plant and equipment *(Note 14)*	**997**	1,178
— Depreciation of investment properties *(Note 16)*	**440**	440
— Depreciation of right-of-use assets *(Note 15)*	**11,041**	12,098
— Amortization of intangible assets *(Note 17)*	**55,443**	59,983
— Gains on disposal of investments in associates *(Note 9)*	**(1,078)**	(6,669)
— Gains on disposal of investments in financial assets	**(2,200)**	—
— Gains on lease modification *(Note 15)*	**—**	(1,634)
— Impairment provisions for financial assets *(Note 3.1) (Note 21)*	**65,815**	185,735
— Impairment provisions for prepayments *(Note 22)*	**27,534**	32,738
— Impairment provisions for intangible assets *(Note 17)*	**1,636**	9,972
— Impairment of investments accounted for using the equity method *(Note 19)*	**7,345**	105,496
— Share-based compensation expenses *(Note 27)*	**6,687**	15,569
— Share of results of investments accounted for using the equity method *(Note 19)*	**(64,916)**	17,097
— Finance costs *(Note 11)*	**58,985**	110,025
— Changes in fair value of financial assets at fair value through profit or loss *(Note 20)*	**30,109**	81,400
— Changes in Financial liabilities at fair value through profit or loss *(Note 9)*	**21,583**	26,568
— Income tax expense/(credit) *(Note 12)*	**1,177**	(29,513)
Change in operating assets and liabilities, net of effects from disposal of discontinued operations:		
— Increase in receivables	**(86,538)**	(168,195)
— (Decrease)/increase in payables	**(60,310)**	312,010
— Changes in contract costs	**32,294**	(1,855)
— Changes in contract liabilities	**(54,930)**	(63,282)
— Changes in advance receipt	**(123)**	(201)
— Changes in restricted cash	**(637)**	593
Cash generated from operations	**70,272**	154,949

35 Cash generated from operations (Continued)

(a) Reconciliation of net profit/(loss) to cash inflow from operating activities: (Continued)

In the consolidated statement of cash flows, proceeds from sale of property, plant and equipment and intangible assets comprise:

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Net book amount *(Note 14)*	**152**	7
Proceeds from disposal of property, plant and equipment	**106**	—
Receivables from disposal of property, plant and equipment	**258**	7

(b) Net debt reconciliation

	As of 31 December	
	2025	2024
	RMB'000	*RMB'000*
Cash and cash equivalents	**187,907**	196,926
Restricted cash	**31,879**	65,179
Convertible bonds	**(284,207)**	(275,608)
Borrowings-repayable within 1 year	**(885,573)**	(946,746)
Borrowings-repayable after 1 year	**(130,314)**	(123,329)
Lease liabilities	**(11,532)**	(7,753)
Interest payable	**(648)**	(44)
Net debt	**(1,092,488)**	(1,091,375)

35 Cash generated from operations (Continued)

(b) Net debt reconciliation (Continued)

	Cash and cash equivalents RMB'000	Restricted Cash RMB'000	Convertible bonds RMB'000	Borrowings-repayable within 1 year RMB'000	Borrowings-repayable after 1 year RMB'000	Lease liabilities RMB'000	Interest payable RMB'000	Total RMB'000
Net debt as of 1 January 2024	190,429	38,105	(237,297)	(842,898)	(123,526)	(22,808)	(1,631)	(999,626)
Cash flows								
— Net cash flows	6,552	27,074	—	—	—	—	—	33,626
— Interest paid	—	—	17,584	(80,594)	(27,803)	12,709	55,896	(22,208)
Non-cash movements								
— Interest expense	—	—	(50,993)	—	—	(733)	(54,309)	(106,035)
— New lease	—	—	—	—	—	(787)	—	(787)
— Exchange impacts	(55)	—	(4,902)	4,746	—	(78)	—	(289)
— Reclassification	—	—	—	(28,000)	28,000	—	—	—
— Equity component of convertible bonds	—	—	—	—	—	—	—	—
— Other non-cash movements	—	—	—	—	—	3,944	—	3,944
Net debt as of 31 December 2024	196,926	65,179	(275,608)	(946,746)	(123,329)	(7,753)	(44)	(1,091,375)
Net debt as of 1 January 2025	**196,926**	**65,179**	**(275,608)**	**(946,746)**	**(123,329)**	**(7,753)**	**(44)**	**(1,091,375)**
Cash flows								
— Net cash flows	**(9,018)**	**(33,300)**	**—**	**96,188**	**(42,000)**	**11,458**	**—**	**23,328**
— Interest paid	**—**	**—**	**17,510**	**—**	**—**	**—**	**37,699**	**55,209**
Non-cash movements								
— Interest expense	**—**	**—**	**(32,823)**	**—**	**—**	**(343)**	**(38,303)**	**(71,469)**
— New lease	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
— Exchange impacts	**(1)**	**—**	**6,714**	**—**	**—**	**19**	**—**	**6,732**
— Reclassification	**—**	**—**	**—**	**(35,015)**	**35,015**	**—**	**—**	**—**
— Equity component of convertible bonds	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
— Other non-cash movements	**—**	**—**	**—**	**—**	**—**	**(14,913)**	**—**	**(14,913)**
Net debt as of 31 December 2025	**187,907**	**31,879**	**(284,207)**	**(885,573)**	**(130,314)**	**(11,532)**	**(648)**	**(1,092,488)**

36 Commitments

(a) Capital commitments

Capital expenditure contracted for at the end of the year but not yet incurred is as follows:

	As of 31 December	
	2025	2024
	RMB'000	*RMB'000*
Intangible assets	**80,745**	70,388
Construction in progress	**39,505**	72,902
	120,250	143,290

37 Significant related party transactions

(a) Names and relationships with related parties

The following companies are related parties of the Group that had balances and/or transactions with the Group.

Names of major related parties	Nature of relationship
Tencent and its subsidiaries(collectively "**Tencent Group**")	Shareholder of the Company
IDS Partnership01 L.P.	Shareholder of the Company
Hengqin Chuangmeng Qida Equity Investment Enterprise (Limited Partnership) ("**Hengqin Chuangmeng Qida**")	Associate of the Group
iDream Legu (Nanjing) Cultural Industry Development Co., Ltd. ("**iDream Legu**")	Associate of the Group
Shenzhen Xingfei Culture Co., Ltd.*	Associate of the Group
Tianjin Lewei Shidai	Joint venture of the Group
Mr. Jeffrey Lyndon Ko*	Director of the Company
Mr. Lei Junwen	Senior management of the Company
Mr. Chen Xiangyu	Director of the Company
Mr. Guan Song	Director of the Company
Shenzhen Zero One Zhihe Technology Co., LTD ("**Zero One Zhihe**")	Associate of the Group
Shipshape Holdings Limited ("**Shipshape**")	Related party of a director
Zhuhai Hengqin Zhumeng Space Investment Co., Ltd. ("**Hengqin Zhumeng**")	Company controlled by a senior management of the Company

* The Group disposed of the equity interests it held in Shenzhen Xingfei Culture Co., Ltd on 13 October 2025. After the disposal, Shenzhen Xingfei Culture Co. is no longer an associate of the Group.

* Mr. Jeffrey Lyndon Ko resigned as a director of the Company since 27 March 2025

37 Significant related party transactions (Continued)

(b) Significant transactions with related parties

In addition to those disclosed elsewhere in these consolidated financial statements, the following transactions were carried out with related parties.

In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective parties.

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Provision of services		
Tencent Group	**159,746**	83,832
Shenzhen Xingfei Culture Co., Ltd.	**8,066**	—
Zero One Zhihe	**5,692**	702
	173,504	84,534
Purchases of services		
Tencent Group	**38,023**	32,533
Revenue share to content providers		
Tencent Group	**10,919**	9,217
Loans provided to related parties		
iDream Legu	**1,600**	1,895
Mr. Guan Song	**—**	1,600
Mr. Chen Xiangyu	**—**	1,400
	1,600	4,895
Disposal of subsidiary's shares to a related party		
Hengqin Zhumeng *(Note)*	**—**	0*
Financial guarantee provided to a related party		
Hengqin Zhumeng *(Note)*	**81,994**	72,767

* The amount was less than 1 thousand.

37 Significant related party transactions (Continued)

(b) Significant transactions with related parties (Continued)

Note: It is related to the disposal of the subsidiary disclosed in Note 32. In the first quarter of 2023, Henqin Zhumeng obtained 24.1% equity interest of Shenzhen iDreamSky Entertainment from the Group at a cash consideration of RMB2. Financial guarantee provided to Hengqin Zhumeng by the Group arising from this transaction was accounted for as a financial liabilities at fair value through profit or loss with a carrying value amounted to RMB81,994,000 as of 31 December 2025 (RMB72,767,000 as of 31 December 2024) (Note 32(a)).

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Repayment received from related parties:		
Mr. Lei Junwen	—	2,723
Mr. Guan Song	—	1,600
Mr. Chen Xiangyu	—	1,400
iDream Legu	—	10
	—	5,733

(c) Year end balances with related parties

	As of 31 December	
	2025	2024
	RMB'000	*RMB'000*
Amounts due from related parties		
iDream Legu	**7,168**	5,568
Shipshape	**2,258**	2,315
Mr. Jeffrey Lyndon Ko	—	1,191
IDS Partnership01 L.P.	**246**	252
Hengqin Chuangmeng Qida	**70**	70
	9,742	9,396
Less: provision for impairment *(Note 3.1)*	**(77)**	(73)
	9,665	9,323
Trade receivables		
Tencent Group	**7,407**	2,077
Zero One Zhihe	**6,000**	—
	13,407	2,077

37 Significant related party transactions (Continued)

(c) Year end balances with related parties (Continued)

	As of 31 December	
	2025	2024
	RMB'000	*RMB'000*
Trade payables		
Tencent Group	**23,114**	17,862
	23,114	17,862
Prepayments to related parties		
Tencent Group	**—**	6,604
	—	6,604
Other payables		
Hengqin Chuangmeng Qida	**5,000**	5,000
Tianjin Lewei Shidai	**—**	4,900
Zero One Zhihe	**458**	21,696
	5,458	31,596
Contract liabilities due to related parties		
Tencent Group	**4,054**	63,364

The above amounts due from related parties were unsecured, interest-free and repayable on demand.

The above amounts due to related parties were unsecured, interest-free and repayable on demand.

(d) Key management personnel compensations

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Wages, salaries and bonuses	**5,804**	8,355
Pension costs-defined contribution plan, other social security costs, housing benefits, and other employee benefits	**370**	883
Share-based compensation expenses	**1,738**	7,537
	7,912	16,775

38 Contingencies

The Group did not have any material contingent liabilities as of 31 December 2025 and 2024.

39 Benefits and interests of directors

(a) Directors' and chief executive's emoluments

Director's and chief executive's emoluments are disclosed in Note 10.

(b) Directors' retirement benefits

No retirement benefits were paid to or payable in respect of their services as directors of the Company and its subsidiaries or other services in connection with the management of the affairs of the Company or its subsidiary undertaking during the years ended 31 December 2025 and 2024.

(c) Directors' termination benefits

During the reporting period, no payments or benefits in respect of termination of directors' services were paid or made, directly or indirectly, to the directors; nor are any payable.

(d) Consideration provided to third parties for making available directors' services

No consideration was provided to or receivable by third parties for making available directors' services subsisted at the end of or at any time during the years ended 31 December 2025 and 2024.

(e) Information about loans, quasi-loans and other dealings in favor of directors, controlled bodies corporate by and connected entities with such directors

No loans, quasi-loans and other dealings in favor of directors, controlled bodies corporate by and connected entities with such directors subsisted at the end of or at any time during the years ended 31 December 2025 and 2024, except for the transactions disclosed in Note 37.

(f) Directors' material interests in transactions, arrangements or contracts

No other significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of or at any time during the years ended 31 December 2025 and 2024, except for the transactions disclosed in Note 37.

40 Subsequent events

There were no material subsequent events during the period from 31 December 2025 to the approval date of these financial statements by the Board on 30 March 2026.

41 Financial position and reserve movement of the Company

(a) Financial position of the Company

	As of 31 December 2025 RMB'000	As of 31 December 2024 RMB'000
ASSETS		
Non-current assets		
Investments in subsidiaries	1,366,574	1,366,574
Amounts due from subsidiaries	1,278,958	2,145,133
Financial assets at fair value through profit or loss	68,233	75,844
Intangible assets	126,919	129,801
	2,840,684	3,717,352
Current assets		
Amounts due from subsidiaries	—	—
Amounts due from related parties	2,645	2,547
Prepayments and other receivables	187,567	224,174
Restricted cash	2,399	4,986
Cash and cash equivalents	16,486	491
	209,097	232,198
Total assets	3,049,781	3,949,550
EQUITY		
Share capital, share premium and treasury shares	4,258,522	3,968,136
Other reserves	572,718	625,853
Accumulated losses	(2,234,701)	(1,129,130)
Total equity	2,596,539	3,464,859
LIABILITIES		
Non-current liabilities		
Convertible bonds	284,207	275,608
	284,207	275,608
Current liabilities		
Borrowings	84,178	133,616
Amounts due to subsidiaries	69,689	74,274
Other payables and accruals	15,168	1,193
	169,035	209,083
Total liabilities	453,242	484,691
Total equity and liabilities	3,049,781	3,949,550

The financial position of the Company was approved by the Board of Directors on 30 March 2026 and was signed on its behalf:

Chen Xiangyu *Director*	Guan Song *Director*

41 Financial position and reserve movement of the Company (Continued)

(b) Other reserves and accumulated losses movement of the Company

	Other reserves	Accumulated losses
	RMB'000	*RMB'000*
At 31 December 2023	594,959	(1,022,023)
Loss for the year	—	(107,107)
Currency translation differences	30,894	—
At 31 December 2024	625,853	(1,129,130)
Loss for the year	**—**	**(1,105,571)**
Currency translation differences	**(53,135)**	**—**
At 31 December 2025	**572,718**	**(2,234,701)**

42 Subsidiaries and controlled structured entities

The following is a list of principal subsidiaries of the Company as of 31 December 2025

Company Name	Place of establishment and nature of legal entity	Particulars of issued/registered capital	Proportion of equity interest held by the Group (%)		Principal activities and place of operation
			2025	2024	
(a) Directly owned					
iDreamSky Holdings (HK)	Hong Kong	HKD1	**100%**	100%	Investment holding/Hong Kong
Dreambeyond Holdings Limited	Cayman	USD50,000	**100%**	100%	Investment holding/Cayman
Dream Impression Holdings Limited	Cayman	USD50,000	**100%**	100%	Investment holding/Cayman
(b) Indirectly owned					
Qianhai iDream	The PRC, limited liability company	USD150,000,000	**100%**	100%	Internet and software technology development and service/The PRC

42 Subsidiaries and controlled structured entities (Continued)

Company Name	Place of establishment and nature of legal entity	Particulars of issued/registered capital	Proportion of equity interest held by the Group (%) 2025	2024	Principal activities and place of operation
(b) Indirectly owned (Continued)					
Chuangyi Shikong	The PRC, limited liability company	RMB187,473,000	100%	100%	Internet and software technology development and service/The PRC
Shenzhen Ledou Technology Co., Ltd.	The PRC, limited liability company	RMB70,000,000	100%	100%	Internet and software technology development and service/The PRC
Changsha Mengju Information Technology Co., Ltd.	The PRC, limited liability company	RMB10,000,000	100%	100%	Internet and software technology development and service/The PRC
Shenzhen Baixingsheng Investment Management Co., Ltd.	The PRC, limited liability company	RMB3,000,000	100%	100%	Financing/The PRC
Zhuhai Hengqin Hunmeng Investment Enterprise LLP	The PRC, limited liability company	RMB100,000,000	100%	100%	Financing/The PRC
Tianjin Huohun Internet Technology Co., Ltd.	The PRC, limited liability company	RMB10,000,000	51%	51%	Internet and software technology development and service/The PRC
Dreammaker (HK) Technology Limited	Hong Kong	HKD1,000,000	100%	100%	Internet Information Service/Hong Kong
iDreamSky Technology (HK) Limited	Hong Kong	HKD1	100%	100%	Internet Information Service/Hong Kong
IDS 01 Holdings Limited	Cayman	USD1	100%	100%	Investment holding/Cayman
IDS 02 Holdings Limited	Cayman	USD1	100%	100%	Investment holding/Cayman
IDS 05 Holdings Limited	Cayman	USD1	100%	100%	Investment holding/Cayman
IDS 06 Holdings Limited	Cayman	USD1	100%	100%	Investment holding/Cayman
IDS 08 Holdings Limited	Cayman	USD5,000,000	100%	100%	Investment holding/Cayman
IDS 11 Holdings Limited	Cayman	USD1	100%	100%	Investment holding/Cayman
IDS 12 Holdings Limited	Cayman	USD1	100%	100%	Investment holding/Cayman
IDS 13 Holdings Limited	Cayman	USD1	100%	100%	Investment holding/Cayman
Dream Racing commercial company	Saudi Arabia	SR500,000	100%	100%	Investment holding/Saudi Arabia
iDreamSky Creative Limited	Hong Kong	HKD1	100%	100%	Investment holding/Hong Kong
DSKY Venture (Korea)	Korea	WON5,373,040,000	100%	100%	Investment holding/Korea
(c) Controlled by the Company pursuant to the Contractual Arrangements					
Shenzhen iDreamSky	The PRC, limited liability company	RMB215,001,755	100%	100%	Internet and software technology development and service/The PRC

42 Subsidiaries and controlled structured entities (Continued)

Company Name	Place of establishment and nature of legal entity	Particulars of issued/registered capital	Proportion of equity interest held by the Group (%) 2025	2024	Principal activities and place of operation
(c) Controlled by the Company pursuant to the Contractual Arrangements (Continued)					
Shenzhen Chenhai Star Technology Co., Ltd.	The PRC, limited liability company	RMB10,000,000	**100%**	100%	Internet and software technology development and service/The PRC
Horgos iDreamSky	The PRC, limited liability company	RMB500,000	**100%**	100%	Internet and software technology development and service/The PRC
Shenzhen Mengyutongchuang Technology Enterprise (Limited Partnership)	The PRC, limited liability company	RMB1,000,000	**100%**	100%	Internet and software technology development and service/The PRC
Shenzhen Qianhai Juzheng Investment Management Co., Ltd.	The PRC, limited liability company	RMB10,000,000	**51%**	51%	Financing/The PRC
Shenzhen iDream Huyu Technology Co., Ltd.	The PRC, limited liability company	RMB1,000,000	**51%**	51%	Culture, sports and entertainment/ The PRC
Shenzhen Mengyu Technology Co., Ltd.	The PRC, limited liability company	RMB10,000,000	**95%**	95%	Internet and software technology development and service/The PRC
Changsha Xunhuo Network Technology Co., Ltd.	The PRC, limited liability company	RMB1,499,250	**51%**	51%	Internet and software technology development and service/The PRC

(i) In the first quarter of 2023, the Group disposed all the equity interest of Shenzhen iDreamSky Entertainment to certain investors, one of which is a related party of the Group (Note 37(a)), and lost control over it.

The directors of the Company considered that the non-controlling interests in respect of the subsidiaries are not material to the Group, and therefore, no summarized financial information of the relevant subsidiaries is presented separately.

(ii) Significant restrictions

As of 31 December 2025, cash and cash equivalents and restricted cash of the Group, amounting to RMB198,452,000 were held in the Mainland of China, while RMB21,334,000 were held overseas. These are subject to local exchange control and other financial and treasury regulations. The local exchange control, and other financial and treasury regulations provide for restrictions, on payment of dividends, share repurchase and offshore investments, other than through normal activities.

Definitions

In this annual report, the following expressions have the meanings set out below unless the context otherwise requires:

"AGM"	the annual general meeting of the Company
"Auditor"	PricewaterhouseCoopers, the independent auditor of the Company
"Board"	the board of Directors of the Company
"Brilliant Seed"	Brilliant Seed Limited, a company incorporated in the BVI on 2 January 2018 and wholly-owned by Mr. Chen Xiangyu
"Cayman Companies Act"	the Companies Act, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
"CG Code"	the Corporate Governance Code as set out in the Appendix C1 to the Listing Rules
"Chuangyi Shikong"	Qianhai Chuangyi Shikong Technology (Shenzhen) Co., Ltd. (前海創意時空科技(深圳)有限公司), a company incorporated in China, and a subsidiary of our Company
"Company" or "our Company" or "iDreamSky"	iDreamSky Technology Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the HKEX under stock code 1119
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Contractual Arrangements"	the series of contractual arrangements entered into by, among others, our Company, the WFOE, Shenzhen iDreamSky and its registered shareholders
"Director(s)"	the director(s) of the Company
"EUR"	Euro, the legal currency of the member states of the European Union
"Group" or "our Group" or "we" or "us"	the Company, its subsidiaries and its PRC Consolidated Affiliated Entities from time to time
"HKD"	Hong Kong dollars, the legal currency of Hong Kong
"HKEX"	The Stock Exchange of Hong Kong Limited
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

"Horgos iDreamSky"	Horgos iDreamSky Information Technology Co., Ltd. (霍爾果斯創夢天地信息科技有限公司), a company incorporated in China, and a subsidiary of our Company
"IFRS(s)"	International Financial Reporting Standards
"IPO"	the global offering of the shares of the Company on 6 December 2018 at a price of HKD6.60 per share, the net proceeds of which was approximately HKD776.4 million, after deducting professional fees, underwriting commissions and other related listing expenses
"IP(s)"	intellectual property(ies)
"Latest Practicable Date"	22 April 2026, being the Latest Practicable Date prior to the printing of this annual report for the purpose of ascertaining certain information contained therein
"Listing Date"	6 December 2018, being the date on which the shares of the Company became listed and commenced trading on the HKEX
"Listing Rules"	The Rules Governing the Listing of Securities on the HKEX
"Memorandum and Articles of Association"	the memorandum and articles of association of the Company (as amended, restated or supplemented or otherwise modified from time to time)
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"Practise Statement"	the Practise Statement issued by the Hong Kong Institute of Certified Public Accountants and its amendments from time to time
"PRC" or "China"	the People's Republic of China, excluding, for the purposes of this annual report only, Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
"PRC Consolidated Affiliated Entities"	the entities we control through the Contractual Arrangements, namely Shenzhen iDreamSky and its subsidiaries
"Prospectus"	the prospectus of the Company dated 26 November 2018
"Reporting Period"	Year ended 31 December 2025
"RMB"	Renminbi, the legal currency of the PRC

"Role-Playing Game" or "RPG(s)"	games in which users assume the roles of characters in a fictional setting
"SFO"	the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong)
"Share(s)"	ordinary share(s) of the Company with a nominal value of USD0.0001 each in the share capital of the Company
"Shenzhen iDreamSky"	Shenzhen iDreamSky Technology Co., Ltd. (深圳市創夢天地科技有限公司), a company established in the PRC and a PRC Consolidated Affiliated Entity of our Company
"Shenzhen iDreamSky Entertainment"	Shenzhen iDreamSky Entertainment Co., Ltd. (深圳市創夢天地娛樂有限公司), a company established in the PRC and a subsidiary of the Company
"Shenzhen Mengyu"	Shenzhen Mengyu Technology Co., Ltd. (深圳市夢域科技有限公司), a company incorporated in China, and a subsidiary of our Company
"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules
"substantial shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"Tencent"	Tencent Holdings Limited, one of the Company's substantial shareholders, a limited liability company incorporated under the laws of the Cayman Islands and the shares of which are listed on the HKEX under stock code 700
"Tencent Computer"	Shenzhen Tencent Computer Systems Company Limited (深圳市騰訊計算機系統有限公司), a company established in the PRC and a Consolidated Affiliated Entity of Tencent
"Tencent Group"	Tencent and its subsidiaries
"Tencent Technology"	Tencent Technology (Shenzhen) Co., Ltd, a company incorporated in China, and a subsidiary of Tencent
"USD"	U.S. dollars, the legal currency of the United States of America
"WFOE"	Shenzhen Qianhai iDream Technology Co., Ltd. (深圳市前海創夢科技有限公司), a wholly-owned foreign enterprise established in the PRC and a subsidiary of our Company
"%"	percent