

2025 ANNUAL REPORT



家鄉互動科技有限公司

Homeland Interactive Technology Ltd.

(Incorporated in the Cayman Islands with limited liability)

STOCK CODE : 3798



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. WU Chengze (*Chairman*)
Mr. SU Bo
Mr. DING Chunlong

Independent Non-Executive Directors

Mr. ZHANG Yuguo
Mr. HU Yangyang
Ms. GUO Ying

AUDIT COMMITTEE

Mr. HU Yangyang (*Chairman*)
Mr. ZHANG Yuguo
Ms. GUO Ying

NOMINATION COMMITTEE

Mr. WU Chengze (*Chairman*)
Ms. GUO Ying
Mr. HU Yangyang

REMUNERATION COMMITTEE

Mr. HU Yangyang (*Chairman*)
Mr. ZHANG Yuguo
Ms. GUO Ying

JOINT COMPANY SECRETARIES

Mr. WU Jieran
Mr. CHAN Yik Pun (appointed on 28 February 2026)
Ms. NG Ka Man (resigned on 28 February 2026)

HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

REGISTERED OFFICE IN THE CAYMAN ISLANDS

PO Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

AUTHORIZED REPRESENTATIVES

Mr. SU Bo
Mr. CHAN Yik Pun (appointed on 28 February 2026)
Ms. NG Ka Man (resigned on 28 February 2026)

AUDITOR

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditor
35/F, One Pacific Place
88 Queensway
Hong Kong

COMPANY'S WEBSITE

<https://www.jiaxianghudong.com>

STOCK CODE

3798

HEADQUARTERS IN THE PRC

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No. 3040, Xinghai Avenue
Nanshan Street
Qianhai Shenzhen-Hong Kong Cooperation Zone
Shenzhen
PRC

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT

Maples Fund Services (Cayman) Limited
PO Box 1093, Boundary Hall, Cricket Square
Grand Cayman KY1-1102
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

LM8, 5/F, Lee & Man Commercial Center,
169 Electric Road, North Point, Hong Kong

PRINCIPAL BANKS

Jilin Jiutai Rural Commercial Bank, Tongzhi
Street Branch
Bank of China, Xiamen Taiwan Road Branch
Hua Xia Bank, Xiamen Branch

Financial Highlights

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2025 RMB'000	For the year ended 31 December			
		2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Revenue	1,348,748	1,386,080	1,779,667	1,562,940	1,287,722
Gross profit	700,770	629,586	1,157,455	1,020,619	958,828
Profit (loss) for the year	80,253	(76,221)	440,470	465,682	500,276
Profit (loss) for the year attributable to owners of the Company	59,139	(74,174)	436,936	465,274	500,713
Non-IFRS adjusted net profit attributable to the owners of the Company	147,500	29,520	499,393	528,609	511,155

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	2025 RMB'000	As at 31 December			
		2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Non-current assets	515,594	403,315	399,497	495,509	275,768
Current assets	1,667,872	1,763,795	1,887,419	1,609,796	1,453,169
Current liabilities	239,911	234,284	190,164	274,678	241,863
Net current assets	1,427,961	1,529,511	1,697,255	1,335,118	1,211,306
Non-current liabilities	12,424	16,674	12,602	36,614	46,770
Total equity	1,931,131	1,916,152	2,084,150	1,794,013	1,440,304

To Our Shareholders,

On behalf of the board of directors (the “**Directors**”) (the “**Board**”), I am pleased to present the annual report of Homeland Interactive Technology Ltd. (the “**Company**”) and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2025 (the “**Reporting Period**”).

Deepening the Cultural Moat, Achieving a Dual Leap in Quality and Profitability

In 2025, the global gaming industry underwent profound transformation. The focus of market competition has fully shifted to refined operation and high-quality content. Amid the continuous decline of traffic dividends and rising customer acquisition costs, the traditional customer acquisition model has evolved from traffic-driven to user-value-oriented. Faced with the complex and volatile market environment, the Group has always upheld its long-established localisation moat. Through the deep integration of traditional Chinese cultural connotations and modern digital technologies, the Group achieved a substantial leap in operational quality. During the Reporting Period, the Group's products further enhanced content localisation and user experience, strengthened the social attributes of games, and strived to build a three-dimensional and diversified content ecosystem.

To achieve this goal, the Group actively upgraded product localisation and continuously refined regionally distinctive products to improve user experience. During the Reporting Period, we successfully launched multiple highly localised game modes including “廣東紅中” and “湖南紅中”. We resumed our grassroots operation model combining on-site offline research and online optimisation. The operation team deeply penetrated prefecture-level markets, conducted field visits across regions, systematically sorted out local game rules, extracted cultural essences, and translated frontline insights into online product iteration, enabling refined operation and omnichannel promotion. For instance, for players in Sichuan, we deeply explored local cultural connotations, reproduced the "Old Chengdu New Year Blessing Customs" within the game, and through high-precision art design, restored "遊喜神方", a traditional folk activity of visiting the God of Blessings that is deeply rooted in Sichuan cultural heritage. These deeply customised localised products precisely matched regional user demands, gaining rapid popularity in local communities. With continuous strategic optimisation, localised games achieved remarkable growth in core business indicators including user scale and revenue, delivering an overall sound operational performance.

Alongside continuous product iteration, the Group innovated its operation strategies and focused deeply on the social value of products. By reshaping the social ecosystem of “Private Social Rooms” and introducing featured functions such as “Blessing” effects and personalised displays, the Group significantly enhanced user stickiness among mid-to-heavy players. Revenue from “Private Social Rooms” in 2025 nearly doubled year-on-year. In the field of marketing and customer acquisition, the Group has outpaced the market trends through proactive strategic positioning. During the Reporting Period, the Group successfully restructured its underlying customer acquisition logic. Leveraging the WeChat Mini Program ecosystem and social fission algorithms, the Group acquired over 100 million new users throughout the year, with continuously improving brand strength and channel cooperation reputation.

Supported by the above systematic strategic layout and operational optimisation, the Group significantly improved operational efficiency and profitability during the Reporting Period. The Group turned from a net loss of RMB76.2 million in 2024 to a net profit of RMB80.3 million for the year ended 31 December 2025, with greatly enhanced overall profit quality and resilience. Looking ahead to our 2026 operational roadmap, building on the proven strategies established in 2025, the Group will remain committed to its “player-centric” philosophy. Vertically, we will deepen content development and continuously upgrade refined operation and diversified content. Horizontally, we will expand development boundaries and actively explore IP collaboration and cross-sector innovative cooperation. Meanwhile, we will further consolidate our core position in the WeChat ecosystem to achieve synergistic growth in dual value creation.

AI-Driven Efficiency Revolution, Building a New Growth Ecosystem

The year 2025 marked a pivotal turning point where artificial intelligence in the gaming industry fully transitioned from conceptual exploration to large-scale application. Since 2023, the Group has positioned AI technology as one of its long-term core strategies and established a dedicated AI Application Research and Development Centre, committed to taking technological innovation as the core engine to drive high-quality corporate development. At present, the Group has deeply integrated AI applications into core scenarios across the entire business chain, with outstanding achievements in cost reduction and efficiency enhancement. Internally, AI-assisted development tools have effectively accelerated product research and development and shortened version iteration cycles. Externally, AI has fully empowered the entire marketing and placement process, improving marketing material production efficiency by 50%–100% and driving a month-on-month increase of over 200% in social media exposure. The efficiency upgrade brought by AI has formed two-way synergy and mutual empowerment with the previously restructured customer acquisition model, ultimately achieving continuous improvement in the Group's operating efficiency.

Empowered by in-depth AI technology, the Group's self-developed SaaS middle-office completed a full intelligent upgrade in 2025, evolving into a highly integrated and efficient intelligent comprehensive service platform. The platform integrates mainstream industry channels and media services, covering full-stack core business scenarios including game publishing, operation, risk control, compliance, user acquisition and data analysis for decision-making, significantly improving operational efficiency of all project teams. This intelligent upgrade focused on the enhancement of two core capabilities: the data analysis module equipped with an AI intelligent assistant can quickly decompose complex business indicators and automatically generate visualised reports; the publishing module deeply integrates large model technology, automatically realising highly refined placement strategy configuration and marketing content creation. Relying on regular data analysis and AI-driven real-time feedback mechanisms, the platform strictly complies with compliance and risk control requirements, ensures stable business operation, and provides solid support for the long-term healthy development of the Group's products.

Looking ahead, the Group will continue to deepen the implementation and in-depth application of artificial intelligence across the entire business chain, focusing on on-device AI deployment to optimise response speed, and increase the proportion of AIGC (AI-Generated Content) applied in high-quality content production to consolidate the intelligent production foundation. Based on this technological foundation, the Group's flagship strategic "Character System" will be officially launched. This upgrade is not merely a simple addition of features, but a comprehensive innovation of core product experience and content ecosystem. The new character system will feature a complete development path and tiered benefit system, serving as an emotional anchor and identity marker for players in the digital world. Concurrently with the launch of the "Character System", the Group will further advance the full 3D upgrade of its underlying game engine, effectively enhancing visual quality and physical interaction experience to create immersive visual presentation. Such layout represents not only a leap in technological capability, but also a core measure for the Group to deeply explore user Lifetime Value (LTV) and enhance commercialisation potential. In addition to direct application in game products, the Group has also actively engaged in the research and development of AI Agent products in the To B sector, planning to launch and commence commercial operation in the near future. By integrating and exporting its long-term accumulated internal practical experience and AI technological capabilities, the Group will realise the commercial monetisation of technological advantages, injecting new momentum into the high-quality long-term development of the Group.

“1+N” Strategic Synergy Advancing toward Diversified Global Publishing

The Group implements a “1+N” strategic synergy framework, namely taking our core card and board game business as the “1”, and building peripheral capabilities including omnichannel traffic, diversified products and global distribution through ecosystem investments as the “N”, so as to integrate resources and coordinate businesses, forming a high-quality development pattern of strengthening the main business, expanding the ecosystem and achieving synergistic efficiency. The Group has always adhered to the core investment philosophy of “value creation and strategic synergy”. During the Reporting Period, through strategic layout in high-quality investee companies, we successfully established strong synergy effects and achieved extensional expansion of the main business. Among them, strategic investments in Foshan Chouwa and Qingdao Xingkong Changyou perfected the Group's layout in omnichannel marketing capabilities, strengthened multi-party resource complementarity and functional synergy, continuously empowered the Group's traffic operation system, and accumulated new impetus for long-term business growth.

Specifically, through strategic investment in Foshan Chouwa, the Group further deepened its presence in the MCN (Multi-Channel Network) ecosystem featuring card and board games. Relying on Foshan Chouwa's diversified live-broadcasting matrix, the Group strengthened brand penetration and social popularity of core products via live-broadcasting social marketing, successfully opened a new path of content-driven growth, and completed the construction of a closed-loop ecosystem of “live-broadcasting + games + derivatives”. Meanwhile, through strategic investment in Qingdao Xingkong Changyou, the Group successfully established a full-link traffic operation system integrating Douyin Star Map, OceanEngine Ads, guild operation and game publishing. Focusing on content marketing, Qingdao Xingkong Changyou mainly relies on Douyin, flexibly adopts short videos, live-broadcasting, topic marketing and other forms, and deeply connects Douyin Star Map and OceanEngine Ads to achieve precise user reach. It boasts outstanding capabilities in data accumulation and channel operation on the Douyin platform, with high value in external promotion and traffic guidance. Leveraging its advantages in precise traffic placement, the Group obtained solid data support for precise user acquisition, and accumulated a reserve of more than 50 IAA-model products under the strategy of “external product selection + in-depth cooperation”, fully demonstrating the Group's firm strategic determination to transform from “single card and board game operation” to “diversified game ecosystem publishing”. To further enhance operational efficiency, the Company actively deployed in the short-video marketing sector and established a new short-video and operation centre in Chengdu, leveraging regional talent advantages to consistently consolidate our core competitiveness. Complementary linkage among various entities jointly supports the Group's synergistic advantages in traffic distribution, social operation and content marketing, effectively facilitating extensional business expansion and enhancement of core competitiveness.

While consolidating traffic advantages of the core business, the Group actively expanded into non-card and board game sectors, with the indie game segment performing soundly, marking a crucial step in the Group's diversified and global layout. One of the Group's licensed indie titles has surpassed 1 million pre-registrations on the TapTap platform, underscoring robust market recognition. In addition, the Group's integration and empowerment of an indie game publisher focusing on high-quality PC/Steam publishing has achieved initial results. Leveraging its stable portfolio of in-operation titles and a strong reserve of PC games, the publisher has successfully opened a strategic gateway for the Group's global distribution. An anime-style indie game under this publisher became a blockbuster product in 2025, achieving an outstanding performance of 117,000 reviews and an overwhelmingly positive rating of 98% on the Steam platform. The Group expects that with the intensive launch of multiple new games by this entity in 2026, it will become an important growth engine for the Group in the indie game ecosystem and global layout.

Chairman's Statement

Through the “1+N” strategic synergy framework, the Group has gradually achieved multi-dimensional leaps from deep cultivation of local markets to layout of global high-quality content, and from single card and board game operation to diversified game ecosystem publishing. We will continue to give full play to the Group's resource endowments, support investee companies to deepen development in their respective sectors, and jointly build solid and resilient multiple growth engines.

Optimising Asset Allocation to Enhance Shareholder Value

On the basis of sound operation of the principal business, the Group attaches great importance to capital allocation efficiency and asset safety. On the premise of ensuring the steady development of the principal business, the Group actively improves overall capital utilisation efficiency through diversified asset management measures. Driven by market opportunities, the Group appropriately increased equity investment during the Reporting Period while ensuring asset safety, aiming to achieve asset preservation and appreciation and capture strategic growth opportunities in the global market. We adhere to a policy of diversified allocation and risk balancing, and have achieved diversified allocation across three major segments: primary market, secondary market and cryptocurrency in asset layout, effectively avoiding excessive impact of single-market volatility on overall investment income.

In target selection, we persist in sector-focused layout. Secondary market investment focuses on building a profit system featuring “offence, defence and reserve”, with a primary focus on Chinese technology stocks, commodities and high-dividend assets. Primary market investment focuses on forward-looking industrial layout, targeting future listing opportunities of high-quality projects to pursue long-term excess returns. The Group participates in the cryptocurrency sector through a combination of professional institutions and proprietary investment. With prudent investment strategies and effective risk control, the Group's diversified investment portfolio achieved overall positive appreciation during the Reporting Period.

To safeguard investment safety and enhance transparency, the Group undertakes to increase disclosure of material investments with fair value recognised in profit or loss starting from the current periodic report, so as to ensure shareholders of the Company (the “**Shareholders**”) fully understand the Group's capital allocation.

In terms of rewarding Shareholders, the Group launched a share repurchase programme during the Reporting Period and plans to continue it throughout 2026 to demonstrate confidence in the Company's long-term value. Taking into account the capital requirements for the Group's global business expansion and core technology investment, the Group will not distribute an annual dividend for the 2025 financial year. However, we will continue to dynamically optimise capital allocation in the future and stand ready to share operating results with Shareholders in a timely manner.

The Board would like to take this opportunity to express its sincere gratitude to all management and staff for their dedication and hard work in 2025, and to thank the investors and all sectors of the community for their long-standing trust and support. We will continue to focus on enhancing the Company's intrinsic value and resource utilisation efficiency, and create value for users, investors and the overall gaming industry.

Wu Chengze
Chairman

Hong Kong, 28 April 2026

BUSINESS REVIEW

During 2025, the global mobile game market underwent a profound transformation from “scale-driven competition” to “content quality-driven competition,” fueled by the dual engines of technological innovation and diversified user demands. Facing the normalization of inventory competition within the industry, the Group remained committed to its core competitive moat by deeply integrating the essence of traditional Chinese culture with modern digital technology. While stabilizing our fundamental business operations, we actively promoted a strategic transition from being “traffic-driven” to “efficiency-driven”. This strategic pivot was reflected not only in the refined operation of our core board and card games but also in the practical application of Artificial Intelligence (AI) technologies, the structural reshaping of organizational efficiency, and the optimization of capital allocation.

During the Reporting Period, the Group adhered to its “point-to-surface, localized deep-dive” expansion strategy. Flagship titles like “微樂四川麻將” maintained their industry leadership in specific regional markets through authentic dialect voiceovers and the reconstruction of local folk customs, while “微樂捕魚千炮版” (*Classic of Mountains and Seas Edition*) enhanced the immersive competitive experience by integrating mythological themes. In addition to consolidating core products, the Group initiated a new round of strategic layouts targeting other potential vertical local playstyles. By conducting extensive in-depth offline research, the Group digitally documented unique folk playstyles across various regions and integrated this feedback into real-time product iterations for deep optimization. These precisely localized products significantly resonated with local players’ sense of cultural identity and quickly gained substantial traction among regional communities. As of 31 December 2025, the Group recorded approximately 12.1 million Daily Active Users (DAUs) and 57.3 million Average Monthly Active Users (MAUs). Against the backdrop of the rising acquisition costs, these core user metrics remained stable, validating the Group’s success in building a solid user stickiness moat through localized content and social scenarios.

Concurrently, the Group implemented a strategic optimization of its user structure. During the Reporting Period, the number of paying players decreased from approximately 17.8 million in 2024 to approximately 11.4 million. This change was not a result of passive market loss but rather a proactive choice driven by the experiment of our “dual-currency mechanism” and the enhancement of social attributes within game sessions. By optimizing the in-game economic ecosystem, the Group successfully filtered and retained higher-quality, more loyal social-oriented core players. Despite the contraction in the number of paying players, the increased contribution from mid-to-hardcore players to revenue resulted in a marginal year-on-year decline of only 2.7% in total revenue, which stood at approximately RMB1,348.7 million. This “quality-over-quantity” strategy not only improved the overall ARPPU (Average Revenue Per Paying User) but also demonstrated the Group’s extreme resilience in revenue scale during the process of user structure reshaping.

In terms of cost control and operational efficiency, the Group achieved comprehensive structural optimization during the Reporting Period. For the year ended 31 December 2025, selling and marketing expenses decreased significantly by approximately 41.7% to RMB260.3 million. This was primarily attributable to a shift in marketing paradigms: on one hand, the Group leveraged the social viral attributes of the WeChat mini-game ecosystem to achieve low-cost organic traffic conversion; on the other hand, the application of AI technologies improved the efficiency of social media content production by 50% to 100%. While driving a 239% month-on-month increase in relevant exposure, this effectively replaced traditional content production costs and large-scale advertising placements. Simultaneously, research and development expenses decreased by 36.4% from RMB73.0 million over the same period last year to RMB46.4 million. This reflected a fundamental reconstruction of R&D efficiency: following the completion of major 3D engine infrastructure in previous periods, the Group fully implemented AIGC-assisted workflows, achieving automated generation of art assets and shortening the production cycle of individual assets by approximately 60%, thereby effectively reducing operational costs while maintaining high-frequency product iterations. Benefiting from the deep optimization of acquisition models and R&D efficiency, the Group achieved a significant financial turnaround, recording a net profit of RMB80.3 million for the year ended 31 December 2025, compared to a loss of RMB76.2 million in 2024. Excluding non-operating and non-cash items such as share-based payment expenses, share of losses of associates and joint ventures, and impairment losses under the expected credit loss model recognized on loans receivables (net of income tax), the Non-IFRS adjusted net profit attributable to the owners of the Company amounted to approximately RMB147.5 million, indicating a substantial recovery in overall profitability.

Building upon the significant recovery of our core business' cash-generating capability, the Group further extended its strategic vision to capital appreciation, aiming to maximize shareholder returns through diversified allocation. During the year ended 31 December 2025, while strictly ensuring principal safety and liquidity, the Group strategically constructed a balanced allocation matrix covering primary markets (high growth potential), secondary markets (stable returns), and forward-looking digital assets. This “steady core growth + proactive capital allocation” dual-drive model is designed to capture dividends from emerging sectors and create additional incremental income, thereby ensuring consistent long-term returns for Shareholders that exceed industry averages. The Group is also focused on identifying new business growth drivers, prioritizing the deployment of edge-side AI to optimize response speeds, and is expected to launch a strategic “Character System” in-game in the near future. By upgrading the underlying engine to 3D and combining AI-powered intelligent NPCs with a nurturing system, this will become our core lever for deeply mining User Lifetime Value (LTV).

In summary, during the Reporting Period, the Group has built a “time-adaptive” operational system capable of self-evolution. We are committed to navigating complex market environments to continuously create long-term returns with greater certainty for our users and Shareholders.

BUSINESS OUTLOOK

In 2026, our Group will continue our efforts to further solidify our competitive advantages in the gaming industry by continuing the following strategies:

1. Advancing Frontier Technologies and Empowering Processes with Technology

Develop proprietary multimodal AI agent and integrate them across key business functions. Build an AI-ready talent pipeline and accelerate end-to-end AI transformation in R&D and operations to upgrade the full organizational workflow and enhance operational efficiency and market competitiveness.

2. Penetrating Regional Markets and Expanding the User Base

Focus on high-potential niche segments, calibrate platform rules and optimize products to meet localized entertainment needs in lower-tier cities and underserved regions. Formulate differentiated marketing strategies based on traffic algorithms to improve user conversion efficiency, expand user scale, and enhance brand recognition.

3. Strengthen Product Pipeline and Grow Overseas Revenue

Continue user-centric R&D and innovation, advance the testing and rollout of multiple reserve projects to ensure product diversity and competitiveness. Speed up the overseas product launch schedule to establish diversified revenue engines.

4. Broaden Strategic Alliances and Explore New Growth Drivers

Leverage industry experience and the Weile brand to expand strategic partner networks. Explore new business opportunities through incubation, investment, and acquisition to inject fresh growth momentum into the Group.

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

The Group's revenue is consisted of three major components: (i) revenue from self-developed mobile games; (ii) revenue from third-party mobile games; and (iii) advertising revenue. For self-developed mobile games, the Group's revenue is primarily derived from the sales of virtual tokens. Virtual tokens can be used by the customers to play mobile games of the Group or for purchasing virtual products. For third-party mobile games, the Group provides mobile game publishing service to third-party game development companies. The third-party mobile games are hosted, maintained, operated and updated independently by the relevant game developers. The Group recognizes its revenue, net of the portion of proceeds to be shared with the third-party mobile game developers. Advertising revenue is derived principally from online advertising arrangements. The Group inserts certain in-game advertisement slots into its mini-programs and shares the proceeds with those mini-program platform operators.

During the Reporting Period, the Group's overall revenue remained broadly stable at RMB1,348.7 million for the year ended 31 December 2025, representing a marginal year-on-year decrease of approximately 2.7% from RMB1,386.1 million in 2024.

This slight contraction was primarily attributable to the Group's proactive strategic adjustments, including the iteration of in-game currency systems for certain self-developed mobile games. While these refinements led to a temporary reduction in the number of paying players, the shift was largely mitigated by our intensified focus on deepening social engagement and enhancing user retention within the "Private Social Rooms" features. These improvements significantly elevated the Group's Average Revenue Per Paying User (ARPPU), effectively offsetting the impact of a smaller paying player base.

Specifically, revenue from self-developed mobile games recorded a modest decline of 1.0%, from RMB1,212.3 million in 2024 to RMB1,199.6 million for the year ended 31 December 2025. This transition underscores the resilience of our monetization model and demonstrates our success in prioritizing high-value user quality over sheer volume, thereby reinforcing the Group's long-term profitability.

For the year ended 31 December 2025, revenue generated from the Group's sale of virtual tokens, distribution of third-party mobile games and advertising accounted for approximately 88.9%, 7.0% and 4.1% of the Group's total revenue, respectively, as compared with approximately 87.5%, 10.1% and 2.4%, respectively, for the year ended 31 December 2024.

Cost of sales

The Group's cost of sales primarily includes (i) employee benefit expenses; (ii) commissions and fees charged by third-party game distribution channels and payment vendors; (iii) co-operation commissions charged by new media institutions; (iv) commissions charged by game operators; (v) server related and technical support fees; and (vi) depreciation and amortization. The Group's cost of sales decreased by approximately 14.3% to approximately RMB648.0 million for the year ended 31 December 2025 from approximately RMB756.5 million in 2024, primarily due to (i) a RMB88.7 million decrease in co-operation commissions charged by new media institutions; and (ii) a RMB1.0 million decrease in commissions charged by game operators.

Gross profit and gross profit margin

As a result of the foregoing, the Group's gross profit increased by 11.3% to approximately RMB700.8 million for the year ended 31 December 2025 from approximately RMB629.6 million for the year ended 31 December 2024, and the Group's gross profit margin increased to 52.0% for the year ended 31 December 2025 from 45.4% for the year ended 31 December 2024.

Other income

Other income decreased by approximately 2.9% from approximately RMB40.5 million for the year ended 31 December 2024 to approximately RMB39.3 million for the year ended 31 December 2025. The decrease was primarily due to (i) a RMB3.8 million decrease in interest income from bank deposits; (ii) a RMB1.9 million increase in service income; and (iii) a RMB1.8 million increase in government subsidies, which was partially offset by a RMB1.3 million decrease in sundry income.

Other gains and losses

Other gains and losses decreased by RMB65.9 million from a gain of approximately RMB63.6 million for the year ended 31 December 2024 to a loss of approximately RMB2.3 million for the year ended 31 December 2025. The decrease was primarily due to (i) an increase of RMB10.4 million in loss on derecognition of receivables for disposal of an associate; (ii) an increase of RMB3.0 million in loss on non-substantial modification of receivables for disposal of an associate; (iii) a decrease of RMB12.4 million in gain from changes in fair value of financial assets measured at fair value through profit and loss; (iv) a decrease of RMB17.5 million in gain on disposal of investments in associates; (v) a decrease of RMB9.1 million in gain on disposal of subsidiaries; (vi) a decrease of RMB8.6 million on gain on assets disposal transaction; (vii) a decrease of RMB2.3 million on gain on remeasurement of previously held interest in an associate; and (viii) a decrease of RMB1.8 million on gain on early repayment of long-term receivables for disposal of associates.

Foreign exchange (losses) gains, net

Foreign exchange loss of approximately RMB8.0 million was recorded for the year ended 31 December 2025 while foreign exchange gains of approximately RMB6.1 million was recorded for the year ended 31 December 2024, mainly due to the fluctuation of exchange rate of Renminbi (RMB) against US dollars.

Selling and marketing expenses

The Group's selling and marketing expenses decreased by approximately 41.7% from approximately RMB446.7 million for the year ended 31 December 2024 to approximately RMB260.3 million for the year ended 31 December 2025. The decrease was primarily attributable to (i) a significant reduction in advertising expenses reflecting our enhanced promotion efficiency as we transitioned to low-cost organic traffic via the WeChat mini-game ecosystem and utilized AI to increase content production efficiency; and (ii) as we automated the process through the deployment of our proprietary multimodal AI agent, which handled intelligent customer service tasks and allowed for a more efficient, fully intelligent operational cycle.

Administrative and other expenses

The Group's administrative and other expenses decreased by approximately 6.3% from approximately RMB213.2 million for the year ended 31 December 2024 to approximately RMB199.8 million for the year ended 31 December 2025. The decrease was primarily due to (i) a notable reduction in professional service fees; and (ii) optimized control over office rental, utilities, and property management expenses. These cost savings were partially offset by an increase in depreciation and amortization as well as other administrative costs.

Research and development expenses

The Group's research and development expenses decreased from approximately RMB73.0 million for the year ended 31 December 2024 to approximately RMB46.4 million for the year ended 31 December 2025. The decrease was primarily due to (i) a significant reduction in research and development salaries, reflecting the fundamental reconstruction of R&D efficiency through the full implementation of AIGC-assisted workflows; (ii) the automated generation of art assets, which shortened single-asset production cycles; and (iii) the completion of major 3D engine infrastructure and other foundational R&D investments in previous periods, enabling lower-cost product iterations.

Profit (loss) before income tax

The Group's profit before income tax increased by approximately 230.8% from a loss of approximately RMB91.5 million for the year ended 31 December 2024 to a profit of approximately RMB119.7 million for the year ended 31 December 2025. The Group's profit before income tax as a percentage of total revenue increased from -6.6% for the year ended 31 December 2024 to 8.9% for the year ended 31 December 2025, primarily due to the increased gross profit and the decreased selling and marketing expenses.

Income tax (expense) credit

The Group recorded an income tax expense of approximately RMB39.5 million for the year ended 31 December 2025, as compared to an income tax credit of approximately RMB15.3 million for the year ended 31 December 2024. This change was primarily consistent with the Group's turnaround from a loss before income tax of approximately RMB91.5 million in 2024 to a profit before income tax of approximately RMB119.7 million in 2025.

Profit (loss) attributable to owners of the Company

Profit attributable to owners of the Company increased by approximately 179.7% from a loss of approximately RMB74.2 million for the year ended 31 December 2024 to a profit of approximately RMB59.1 million for the year ended 31 December 2025, primarily due to (i) a RMB186.3 million reduction in selling and marketing expenses achieved through low-cost organic traffic and AI-driven content efficiency; (ii) a RMB71.2 million increase in gross profit resulting from a RMB108.5 million decrease in cost of sales through AIGC-assisted workflows and localized deep-dive strategies; and (iii) a RMB26.6 million decrease in research and development expenses following the completion of major 3D engine infrastructure and the implementation of automated asset generation.

Non-IFRS Measures — Adjusted Net Profit

To supplement the Group's consolidated financial statements which are presented in accordance with International Financial Reporting Standards ("IFRS"), the Company also used unaudited non-IFRS adjusted net profit as an additional financial measure in order to evaluate its financial performance by eliminating the impact of certain non-recurring and non-cash items that it does not consider indicative of the performance of its business. The Company's management believes that the presentation of non-IFRS measures, in conjunction with the corresponding IFRS measures, provides useful information to investors relating to the Group's financial condition and results of operations. The term "adjusted net profit" is not defined under IFRS. Other companies in the industry which the Group operates in may calculate such non-IFRS items differently from the Group. The use of adjusted net profit has material limitations as an analytical tool, as adjusted net profit does not include all items that impact the Group's net profit for the Reporting Period and should not be considered in isolation or as a substitute for analysis of the Group's results as reported under IFRS.

The following table sets out the calculation of adjusted net profit attributable to the owners of the Company for the years indicated:

	For the year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Profit (loss) for the year attributable to the owners of the Company	59,139	(74,174)
Add:		
Share-based payment expenses	7,390	25,084
Share of loss of associates and joint ventures	40,790	30,126
Impairment losses under expected credit loss model recognized on loans receivables (net of income tax)	40,181	48,484
Adjusted net profit attributable to the owners of the Company	147,500	29,520

For the year ended 31 December 2025, the adjusted net profit attributable to owners of the Company was approximately RMB147.5 million (2024: RMB29.5 million). This figure has excluded the impact of the following non-cash items: (1) share-based payment expenses; (2) the share of losses in undistributed profits of subsidiaries operated by associates and joint ventures in China; and (3) impairment losses on loans receivable recognized under the expected credit loss model (net of tax effects).

LIQUIDITY AND CAPITAL RESOURCES

For the year ended 31 December 2025, the Group financed its operations primarily through cash generated from the Group's operating activities. The Group intends to finance its expansion and business operations with internal resources and through organic and sustainable growth.

The Group has adopted a prudent financial management approach towards its treasury policy. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities, and other commitments can meet its funding requirements from time to time.

Cash and cash equivalents

The Group primarily operates its business in the People's Republic of China (the "PRC") and its transactions and revenue were primarily denominated in Renminbi. The Group has certain cash and cash equivalents and trade receivables denominated mostly in HK dollars and US dollars, with the remaining portion denominated in Euros and Singapore dollars, and is exposed to foreign exchange risk arising from exchange rate fluctuation of RMB against HK dollars and US dollars. As at 31 December 2025, the Group had cash and cash equivalents of approximately RMB790.7 million (31 December 2024: approximately RMB755.0 million), which primarily consisted of cash at bank. Out of the RMB790.7 million, approximately RMB625.9 million is denominated in Renminbi, approximately RMB162.0 million is denominated in US dollars, approximately RMB2.5 million is denominated in HK dollars, approximately RMB0.3 million is denominated in Singapore dollars, respectively. The Group currently does not hedge transactions undertaken in foreign currencies. Robust cash holdings underpin our capacity to drive future technology innovation, pursue strategic investments, and deliver value to Shareholders.

The Group currently does not have any hedging policy for foreign currencies in place. However, the Board will remain alert to any relevant risks and, if necessary, consider to hedge any material potential foreign exchange risk.

INVESTMENT POLICIES

The Group has adopted a comprehensive “Investment and Wealth Management Policy” (the “**Policy**”) to govern its treasury management and investment activities. The Policy is designed to optimize capital allocation through a prudent, tiered approach, prioritizing principal preservation and liquidity while seeking reasonable returns. Set out below are details of the infrastructure of the Group’s investments:

Investment objectives and purpose

The Policy establishes a dual-tier framework for the Group’s investment activities: (a) the primary objectives are to manage the Group’s surplus cash reserves efficiently and to preserve principal and maintain high liquidity to meet the Group’s operational needs and dividend distributions; and (b) subject to the satisfaction of the primary objectives, the Group seeks to capture long-term industry growth and capital appreciation through a diversified portfolio. This includes hedging against macroeconomic risks (e.g., inflation and currency fluctuation) and fostering strategic synergies with the Group’s core gaming business.

Permissible investments

Under the Policy, the Company may invest in:

- (a) cash management instruments (low risk), including capital-protected structured deposits, time deposits, and high-quality money market funds (“**MMFs**”). As of 31 December 2025, approximately 34.8% of the Group’s total financial assets consisted of USD Money Market Funds and bank structured deposits, serving as low-risk tools strictly for yield enhancement on idle cash;
- (b) strategic and equity portfolio (medium to long term), including high-liquidity Indices and ETFs utilized for hedging purposes and global asset allocation, long-term industrial investments in the TMT sector aimed at creating value chain synergies with the Group’s principal business operations; and
- (c) tactical individual equities (opportunistic). The Policy retains the flexibility to invest a minor portion of funds into specific individual equities as “tactical individual equities”. Such investments are authorized only when the management identifies a high degree of certainty in short-term returns driven by favorable market cycles or specific corporate value disconnects. This strategy allows the Group to capture potential asset appreciation during specific market windows-such as investing in blue-chip tech leaders during cyclical troughs-while ensuring the overall exposure remains immaterial relative to the Group’s total assets.

Prohibited investments

The Policy explicitly prohibits high-leverage margin trading and naked short selling.

Board's assessment on shareholder value enhancement

The Board has critically evaluated the Policy and believes that it optimizes shareholder returns and enhances shareholder value through a three-pronged capital efficiency mechanism:

- (i) **Maximizing Yield on Idle Capital (Capital Efficiency):** The Board recognizes that holding excessive uninvested cash in standard demand deposits is inefficient and dilutive to shareholder value in real terms due to inflation. By prudently deploying a targeted allocation of our surplus capital (representing approximately 5.0% of the Group's total financial assets) into principal-protected structured deposits and money market funds, the Group generates stable, recurring finance income that significantly exceeds standard bank deposit rates. This strategy directly bolsters the Group's net profit and Earnings Per Share (EPS) without diverting resources from the core business, effectively monetizing the "time value" of the Group's working capital before it is utilized for operations or distributed as dividends.
- (ii) **Strategic Hedging and Asset Preservation:** The inclusion of high-liquidity ETFs and USD-denominated funds in the investment scope serves as a vital defensive mechanism. Given the Group's operational focus, the Board considers it prudent to utilize financial instruments to hedge against potential currency fluctuations and inflationary risks. This ensures that the purchasing power of the Shareholders' equity is preserved against macro-economic volatilities, safeguarding the intrinsic value of the Company's net assets.
- (iii) **Capturing Cyclical Alpha for Future Allocation:** Regarding the tactical equity investments, the Board views this as a disciplined method to enhance the Group's total surplus. By retaining the flexibility to invest a strictly limited and minor portion of capital into high-conviction, undervalued blue-chip assets during market troughs, the Group aims to achieve capital appreciation that outperforms the general market. These investment gains, once realized, contribute to the Group's distributable reserves, thereby strengthening the Company's ability to sustain stable dividends or fund future strategic acquisitions without the need for expensive external financing, ultimately maximizing long-term shareholder value.

RISK MANAGEMENT AND CONTROL MEASURES

Defined risk limits and exit mechanisms

The Group enforces a rigorous investment discipline to preserve principal and optimize returns. The Board has established a "dual-exit" mechanism applicable to both equity and fund investments.

First, the Group enforces a fixed stop-loss policy to establish a hard floor for every position. If an asset price hits a pre-defined maximum loss threshold (typically a drawdown of 10%–15% depending on the asset class volatility), a sell order is strictly executed to cut losses immediately. This ensures that no single investment can cause material damage to the Group's principal.

Second, to optimize shareholder returns, we utilize a Trailing Stop-Loss (Moving Stop) strategy for performing assets. As the asset price rises, the stop-loss trigger moves upward dynamically. This mechanism allows the Group to ride upward trends to capture maximum upside while ensuring that profits are systematically locked in should the trend reverse.

High-quality asset selection strategy (market risk control)

For the strategic and equity portfolio, the Group enforces a disciplined selection criterion that focuses strictly on market leaders and “Blue-Chip” Stocks. We prioritize companies with large market capitalizations and high liquidity to minimize business and liquidity risks. This strategy is reflected in our 2025 portfolio, which predominantly consists of constituents of major indices and industry leaders. By avoiding speculative small-cap stocks, the Group ensures that positions remain liquid and can be exited efficiently even under adverse market conditions.

Counterparty risk management

To mitigate credit and operational risks, the Group enforces stringent pre-investment screening and counterparty due diligence:

- (a) treasury transactions are strictly limited to top-tier state-owned banks and reputable financial institutions with strong credit ratings; and
- (b) for fund investments, the Group selects managers based on rigorous track record requirements. Selected managers must possess a minimum of 5 years of investment experience, having demonstrated resilience through complete market cycles (bull and bear), and must have managed the target strategy for at least 3 years to ensure performance traceability and stability.

Liquidity management

The Group maintains a reasonable liquidity buffer in cash and cash equivalents to meet working capital requirements. To ensure funds are available when needed for operations or dividend distributions and eliminate solvency risk, the maturity profiles of all financial products are strictly matched against the Group’s rolling operational cash flow forecasts.

INVESTMENT DECISION MAKING PROCESS AND APPROVAL AND OVERSIGHT MECHANISMS

The investment decisions of the Group are made through a multi-layered governance structure. The Board retains ultimate responsibility for investment oversight. The Board is responsible for defining the risk appetite statement and approving the annual investment cap (strictly limited to 15%-20% of net assets). The Board delegates specific operational authorities to the investment decision committee (“IDC”), which serves as the central gatekeeper. The IDC comprises at least five members, including the chairman of the Group, the chief executive officer, the chief financial officer, the investment director (the “**Investment Director**”), and the compliance officer (the “**Compliance Officer**”). A distinctive feature of our governance is the “unilateral compliance veto” held by the Compliance Officer. This mechanism empowers the Compliance Officer to unilaterally reject any investment proposal that violates the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), internal risk control policies, or compliance standards, regardless of the projected commercial returns or majority approval from other committee members.

The Group executes investments through a rigorous “Three-Stage” closed-loop process where compliance serves as a mandatory prerequisite at critical checkpoints:

Stage 1: Preliminary Screening

The process begins with preliminary screening, where proposed investments are checked against a “negative list” (i.e., prohibited investments listed in “**Prohibited investment**”) by the investment managers. Based on the negative list check, the Investment Director will further conduct a comprehensive analysis on the target assets.

Stage 2: Compliance Review

Before entering the commercial approval stage, every proposed investment must be subject to a compliance review. At this stage, the Compliance Officer verifies the transaction against the Listing Rules (e.g., performing size tests and connected transactions analysis); if any non-compliance risk is identified, the veto power is exercised to halt the process immediately.

Stage 3: Tiered Approval

The approval path is determined by the investment’s size. Crucially, internal approval is conditional upon satisfying all applicable external regulatory requirements.

As to internal authority limits, investments not exceeding 1% of net assets of the Group are approved by the Investment Director; those ranging between 1%–5% require a 2/3 supermajority approval from the IDC; and any investment exceeding 5% or involving new strategies must be escalated to the Board for deliberation.

As to external regulatory requirements, regardless of the internal authority limits, if an investment constitutes a notifiable transaction or a non-fully exempt connected transaction under the Listing Rules based on the size tests and analysis performed in Stage 2, the Group will strictly adhere to the requisite approval and disclosure requirements in accordance with the Listing Rules. Additionally, the Company will disclose information regarding significant investments in the Company’s interim and annual reports in accordance with the requirements under the Listing Rules. This ensures transparency for both Shareholders and regulatory authorities.

EXPERTISE OF INVESTMENT TEAM

The Group avoids “key man risk” by relying on a professional matrix structure that combines front-office execution with independent middle-office risk control. The investment function is led by the Investment Director, who is required to possess over 5 years of experience in secondary markets and a deep understanding of listed company governance, responsible for formulating high-level strategy. Supporting the Investment Director is an execution team of two investment managers, who are responsible for fundamental analysis, valuation modeling, and trade execution while being strictly free from conflicts of interest. Certain staff involved in the Company’s investment trading and investment activities passed the fund practitioner qualification examination organized by the Asset Management Association of China and is a member of the Chinese Institute of Certified Public Accountants.

Independent oversight is provided by the middle office, centered on the compliance officer. This role is filled by a senior professional with a legal or compliance background, responsible for managing disclosure obligations under the Listing Rules and exercising the aforementioned veto power over non-compliant transactions. Furthermore, while the Group retains independent decision-making authority, it leverages external intelligence from reputable research institutions (e.g., Northeast Securities Research Institute) to validate internal research, ensuring a robust and objective decision-making environment.

STRATEGIES TO ENHANCE SHAREHOLDERS' VALUE AND CAPITAL ALLOCATION FRAMEWORK

Dividend Policy and Capital Management Strategy

The Company places the highest priority on enhancing shareholder value; however, given the dynamic nature of the global gaming industry and the Group's strategic focus, we do not adhere to a pre-determined annual payout ratio. Instead, the Company adopts a flexible dividend policy driven by the practical constraints of our capital structure. Specifically, as the Group's offshore foreign currency reserves are finite, our primary objective is to ensure sufficient liquidity to fund the expansion of our overseas gaming product. Consequently, the allocation of capital for enhancing shareholder value, whether through cash dividends or share repurchases, is strictly derived from the surplus offshore liquidity remaining after the Group's operational necessities and international expansion requirements are fully satisfied.

Distinct Allocation for Onshore and Offshore Funds

To maximize capital efficiency under these constraints, the Group implements a distinct strategy tailored to the fund sources. For offshore funds, we follow a "business first" hierarchy: priority is given to reserving foreign currency for organic growth and strategic M&A. Only when these needs are met is surplus capital deployed for Share Repurchases or allocated to the ESOP Trust for secondary market purchases, thereby supporting the share price and aligning employee interests with those of Shareholders. Conversely, regarding onshore funds, the Board wishes to clarify that the majority of the wealth management products are funded by the Group's onshore idle capital. Due to strict foreign exchange control policies in the PRC, repatriating these funds for dividend distribution involves complex approval procedures and unavoidable time lags. To prevent shareholder value dilution during this period, the Company subscribed to principal-protected wealth management products locally. This strategy ensures that onshore idle capital generates finance income — often exceeding standard deposit rates — rather than remaining idle while pending regulatory clearance.

Holistic Value Enhancement Measures

Beyond direct capital distribution, the Group is committed to enhancing shareholder value through a holistic approach. We anchor all capital allocation decisions—from R&D to strategic investments—on long-term growth rather than short-term speculation. We safeguard company assets through strong corporate governance, strictly enforcing the rigorous risk control frameworks and "dual-exit" mechanism detailed in "Risk management and control measures". Furthermore, we will prioritize regular communication by proactively disclosing investment strategies and performance metrics in our interim and annual reports, ensuring that Shareholders are fully informed of how their capital is being utilized to generate sustainable returns.

INDEBTEDNESS

During the year ended 31 December 2025, the Group did not have any short-term or long-term bank borrowings and had no outstanding bank and other borrowings and other indebtedness apart from lease liabilities for the relevant lease terms amounting to RMB16.8 million in aggregate (31 December 2024: RMB21.3 million).

Gearing ratio

The gearing ratio was zero since there was no borrowings as at 31 December 2025. The Group's gearing ratio represented the percentage of the sum of non-current and current borrowings over total assets.

Charge on assets

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

Capital expenditures

For the year ended 31 December 2025, the Group's capital expenditure was approximately RMB131.3 million, representing a significant decrease from approximately RMB387.8 million for the year ended 31 December 2024. The Group's capital expenditure during the Reporting Period mainly comprised (i) the purchase of property, plant and equipment for the Group's infrastructure and R&D requirements; (ii) the acquisition of intangible assets; and (iii) strategic investments in associates and joint ventures. The Group funded its capital expenditure primarily through cash flow generated from its operations. This decrease was primarily due to a reduction in the net acquisition of financial assets at FVTPL and lower investments in associates and joint ventures during the Reporting Period.

Contingent liabilities and guarantees

As at 31 December 2025, the Group did not have any significant unrecorded contingent liabilities, guarantees or any litigation against the Group.

EMPLOYEES AND STAFF COSTS

As at 31 December 2025, the Group had a total of 564 full time employees (31 December 2024: 604), mainly located in mainland China. In particular, 305 employees are responsible for the Group's research and development, 61 for technical support, 126 for marketing and 72 for operations and general administration. The total staff cost incurred by the Group for the year ended 31 December 2025 was approximately RMB152.6 million compared to approximately RMB192.9 million in 2024. The decrease was mainly due to (i) a significant reduction in share-based payment expenses of approximately RMB14.9 million; and (ii) the Group implemented targeted cost-saving measures during the year ended 31 December 2025, including workforce optimization, to enhance operational efficiency.

The Group invests in employee development through structured orientation for new hires and ongoing training programs for junior staff, enhancing workforce capabilities and productivity. Our compensation framework combines competitive base salaries with performance-based bonuses, supplemented by equity incentives including a share award scheme adopted on 6 June 2019 (the **"2019 Share Award Scheme"**) and a share scheme adopted on 17 June 2025 (the **"2025 Share Scheme"**) to align the employees' interests with that of the Company. In full compliance with PRC regulations, we participate in all mandatory social security programs covering pension, medical, maternity, unemployment insurance, and housing funds through local government administrations. Employee remuneration packages — determined by the Board based on merit, qualifications, experience, and market benchmarks — incorporate multiple components: base salaries, allowances, performance bonuses, equity incentives (where eligible), and comprehensive statutory benefits, ensuring market-competitive and compliant talent retention.

During the Reporting Period, the Board has resolved to terminate a share option scheme, which was adopted by the Company on 5 June 2019, (the **"Share Option Scheme"**) on 2 April 2025.

Further details of the Share Option Scheme, the 2019 Share Award Scheme and the 2025 Share Scheme will be set out in the section headed "Report of Directors — SHARE INCENTIVE SCHEMES" of this annual report.

SIGNIFICANT INVESTMENTS HELD

As at 31 December 2025, the Group did not hold any significant investments.

INVESTMENTS IN OTHER FINANCIAL ASSETS

The table below sets out the details of the Group's financial assets at fair value through profit or loss as of 31 December 2025. As of 31 December 2025, the Group did not hold any individual financial asset investment that accounted for 5% or more of the Group's total assets as of 31 December 2025. All such financial asset investments were funded by the Group's internal resources, and did not involve any proceeds from listing or external interest-bearing borrowings.

		Fair Value as at 31 December 2025	
	Name	RMB'000	Percentage
Non-current unlisted securities			
— Investment in partnership	Hefei Challengers Gemini Venture Capital Investment Partnership (Limited Partnership)	69,815	16.52%
Current listed securities held for trading			
— Equity securities listed in Shanghai Stock Exchange (the "SSE")	Other	5,058	1.20%
Current financial assets held for trading			
— Private funds	Jichuanghui Jinda Value Advantage No. 1 Private Securities Investment Fund	21,740	5.14%
	Jichuanghui Homeland Exclusive Private Securities Investment Fund	21,470	5.08%
	Tongheng Grand National Fortune No. 7 Private Securities Investment Fund	21,560	5.10%
	Jichuanghui Homeland Macro No. 1 Private Securities Investment Fund	29,221	6.92%
	Other	106,660	25.24%
— Money market fund	CUAM USD MONEY MARKET FUND	30,506	7.22%
	Other	42,709	10.11%
— Structured deposit	Li Duo Duo Stable Profit (1-Month) RMB-denominated Corporate Structured Deposit 25JG4184 (Product Code: 1201254184)	50,000	11.83%
	Other	23,815	5.64%
Total	Total	422,554	100.00%

Note: For information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), please refer to Note 41 to the Financial Statements in this annual report.

To provide a clear overview of the Group's prudent decision-making process regarding treasury management and strategic investments, the Company hereby sets out further details of individual investment products that each accounted for more than 5% of the total financial assets at fair value through profit or loss for Shareholders' information:

Category	Name/Product	Manager/Issuer	Book Value of the Investment Cost As of 31 December 2025 RMB'000	Fair value as of 31 December 2025 RMB'000	Tenor/ redemption	Nature of returns	Realised/ unrealised gain/(loss) during the year ended 31 December 2025 RMB'000
Non-current unlisted securities — Investment in partnership	Hefei Challengers Gemini Venture Capital Investment Partnership (Limited Partnership) ^{note 1}	Beijing Chuangxinyizhou Investment Management Co., Ltd.	70,000	69,815	Duration of 7 years	Capital appreciation and potential exit returns	(1,428)
Current financial assets held for trading — Private funds	Jichuanghui Jinda Value Advantage No. 1 Private Securities Investment Fund ^{note 2}	Shenzhen Qianhai Jichuanghui Private Securities Investment Fund Management Co., Ltd	20,000	21,740	No fixed term	Capital appreciation and dividend	1,009
Current financial assets held for trading — Private funds	Jichuanghui Homeland Exclusive Private Securities Investment Fund ^{note 2}	Shenzhen Qianhai Jichuanghui Private Securities Investment Fund Management Co., Ltd	20,000	21,470	No fixed term	Capital appreciation and dividend	1,286
Current financial assets held for trading — Private funds	Tongheng Grand National Fortune No. 7 Private Securities Investment Fund ^{note 3}	Fujian TongHeng Investment Administration Limited Company	20,000	21,560	No fixed term	Capital appreciation and dividend	2,883
Current financial assets held for trading — Private funds	Jichuanghui Homeland Macro No. 1 Private Securities Investment Fund ^{note 2}	Shenzhen Qianhai Jichuanghui Private Securities Investment Fund Management Co., Ltd	30,000	29,221	No fixed term	Capital appreciation and dividend	6,255
Current financial assets held for trading — Money market fund	CUAM USD MONEY MARKET FUND ^{note 4}	China Universal Asset Management (Hong Kong) Company Limited	30,224	30,506	No fixed term	Yield	282
Current financial assets held for trading — Structured deposit	Li Duo Duo Stable Profit (1-Month) RMB-denominated Corporate Structured Deposit 25JG4184 (Product Code: 1201254184)	Shanghai Pudong Development Bank Co., LTD.	50,000	50,000	One month	interest income	—

Notes:

- As of 31 December 2025, Hefei Challengers Gemini Venture Capital Investment Partnership (Limited Partnership) had cumulatively invested in a total of 16 projects, focusing on the pan-consumption, enterprise services, and cultural & entertainment sectors, primarily covering projects in early-to-mid, growth, and mature stages. The Manager, Beijing Chuangxinyizhou Investment Management Co., Ltd., was established in 2014 and is registered with the Asset Management Association of China ("AMAC") under the manager registration number P1064430. The total assets under management of Chuangxinyizhou are approximately RMB10 billion.
- Shenzhen Qianhai Jichuanghui Private Securities Investment Fund Management Co., Ltd was established in 2015 and is registered with the AMAC under the manager registration number P1016017. As of 31 December 2025, its assets under management stood at approximately RMB700 million. The investment strategies of Jichuanghui Jinda Value Advantage No. 1 Private Securities Investment Fund and Jichuanghui Homeland Exclusive Private Securities Investment Fund are based on a risk-neutral philosophy, utilizing systematic asset allocation combined with quantitative models and market-timing hedging. Their underlying assets primarily consist of fixed-income products such as Urban Investment Bonds, high-grade credit bonds, and bond arbitrage assets, with a focus on instruments featuring short-to-medium duration and high liquidity. The investment strategy of Jichuanghui Homeland Macro No. 1 Private Securities Investment Fund is based on a global macro perspective through systematic asset allocation and market-timing hedging. It seeks to diversify risks via multi-asset allocation across equities and derivatives, aiming to achieve sustained and steady growth of fund assets. Its underlying assets primarily comprise core heavyweight stocks within the Hong Kong technology sector.

Management Discussion and Analysis

3. Tongheng Grand National Fortune No. 7 Private Securities Investment Fund adopts a long-only equity strategy as its core, combined with market-timing to adjust position levels, thereby smoothing volatility while maintaining return flexibility. Its underlying assets primarily consist of leading stocks within the China A-share market across sectors such as consumption, pharmaceuticals, and high-end manufacturing. The Manager, Fujian TongHeng Investment Administration Limited Company, was established in 2007 and is registered with the AMAC under the manager registration number P1004415. As of 31 December 2025, its assets under management was approximately RMB500 million.
4. The investment objective of the CUAM USD MONEY MARKET FUND is to invest in short-term deposits and high-quality money market investments, seeking to achieve a USD return in line with prevailing money market rates. Its underlying assets primarily consist of short-term deposits and high-quality money market instruments denominated and settled in US dollars and issued by governments, quasi-governments, international organisations, financial institutions, and corporations. The Manager, China Universal Asset Management (Hong Kong) Company Limited, is a wholly-owned subsidiary of China Universal Asset Management Co., Ltd. Established in November 2009, the Manager holds licenses from the Securities and Futures Commission (SFC) of Hong Kong to conduct Type 1 (Dealing in Securities), Type 4 (Advising on Securities), and Type 9 (Asset Management) regulated activities.

MATERIAL ACQUISITIONS, DISPOSALS AND FUTURE PLANS FOR SIGNIFICANT INVESTMENTS OR CAPITAL ASSETS

During the period from July 4, 2024 to October 24, 2025, the Group subscribed for and redeemed various wealth management products offered by different financial institutions. Among these transactions, 35 subscriptions and 11 redemptions, on standalone or aggregated basis, constituted discloseable transactions under Chapter 14 of the Listing Rules. The principal terms of such subscriptions and redemptions are summarized in the tables below:

I. GaoTeng WeValue USD Money Market Fund

No.	Subscription date	Name of product	Parties	Fund Manager	Subscription Amount (USD) ⁽¹⁾	Redemption Amount (USD) ⁽¹⁾	Amount of Gain/(Loss) accrued to the Company (USD) ⁽²⁾	Management Fee (% of Net Asset Value of Relevant Class)	Duration
1	4-Jul-24	GaoTeng	Homeland	GaoTeng	—	5,600,000	97,631.23	0.05%	No fixed term. Subject to the specified restrictions (if any), any Unitholder may redeem his Units on any Redemption Day in whole or in part.
2	20-Aug-24	WeValue	Entertainment:	Global Asset	5,500,000	—	—		
3	2-Jan-25	USD	GaoTeng	Management	—	14,400,000	316,323.41		
4	3-Mar-25	Money	Global Asset	Limited	12,000,000	—	—		
5	8-Apr-25	Market	Management		11,000,000	—	—		
6	6-May-25	Fund ⁽³⁾⁽⁴⁾⁽⁵⁾	Limited		—	2,000,000	16,739.73		
7	9-May-25				5,500,000	—	—		
8	19-May-25				—	2,000,000	20,087.67		
9	26-May-25				—	4,000,000	43,780.82		
10	11-Jul-25				—	1,100,000	18,555.34		
11	25-Aug-25				—	3,000,000	67,525.48		
12	27-Aug-25				3,000,000	—	—		
13	22-Sep-25				—	4,300,000	93,021.37		
14	14-Oct-25				—	1,300,000	31,805.48		
15	23-Oct-25				—	3,000,000	76,873.97		
16	24-Oct-25				—	7,000,000	161,512.60		

Notes:

1. The total gain from all the eleven redemptions set out in the above table was approximately USD943,857.10 (equivalent to approximately RMB6,740,570.43), and the proceeds have been or will be used as general working capital.
2. GaoTeng WeValue USD Money Market Fund is a sub-fund of GaoTeng WeFund, a Hong Kong domiciled umbrella structure unit trust. It is governed by the laws of Hong Kong. GaoTeng WeValue USD Money Market Fund does not have a constant net asset value ("NAV") and does not guarantee the repayment of investment principal. The manager has no obligation to redeem Units at the offer value.

3. The principal investment objective of GaoTeng WeValue USD Money Market Fund is to provide returns in line with money market rates while seeking preservation of capital by investing primarily in a portfolio of short-term and high quality money market instruments denominated in USD.
4. The investment strategy of GaoTeng WeValue USD Money Market Fund is: to achieve its investment objective by investing at least 85% of its Net Asset Value in a range of short term deposits, and high quality money market instruments issued by governments and leading companies and money market funds that are authorised by the SFC under 8.2 of the Code on Unit Trusts and Mutual Funds or regulated in a manner generally comparable with the requirements of the SFC and acceptable to the SFC. Within the foregoing, at least 70% of the Net Asset Value will be invested in USD denominated money market instruments and deposits; and investment in money market funds will be up to 10% of the Net Asset Value. Money market instruments in which the Sub-Fund may invest include: government bills, certificates of deposit, commercial papers, short-term notes, bankers' acceptance and high quality debt securities, etc. The Sub-Fund may invest less than 30% of its Net Asset Value in high quality debt securities.

II. CMB Structured Deposits

No.	Commencement Date	Product Name	Parties	Subscription Amount (RMB)	Expected Annualized Return Rate	Maturity Date	Outstanding Principal as of Subscription Date (RMB)	Risk Level	Linked Subject
1	December 13, 2024	CMB Dianjin Series Bullish Two-Tier Range 90-day Structured Deposit (Code: NSZ08769)	Yutai (Shenzhen) Network Technology Co., Ltd.* (豫泰(深圳)網絡科技有限公司) ("Yutai Shenzhen"); China Merchants Bank Co., Ltd., ("CMB")	5,000,000	1.30% or 2.00%	March 13, 2025	67,500,000	R1 (Cautious)	Gold
2	December 25, 2024	CMB Dianjin Series Bullish Two-Tier Range 90-day Structured Deposit (Code: NSZ08830)	Yaotang (Shenzhen) Network Technology Co., Ltd. ("Yaotang Shenzhen"); CMB	11,000,000	1.30% or 2.00%	March 25, 2025	74,500,000	R1 (Cautious)	Gold
3	December 31, 2024	CMB Dianjin Series Bullish Two-Tier Range 93-day Structured Deposit (Code: NSZ08868)	Yaotang Shenzhen; CMB	8,000,000	1.30% or 2.00%	April 3, 2025	71,500,000	R1 (Cautious)	Gold
4	December 31, 2024	CMB Dianjin Series Bullish Two-Tier Range 90-day Structured Deposit (Code: NSZ08877)	Jiaxiang Interactive (Xiamen) Network Technology Company Limited* (家鄉互動(廈門)網絡科技有限公司) ("Jiaxiang Interactive"); CMB	10,000,000	1.30% or 2.00%	March 31, 2025	81,500,000	R1 (Cautious)	Gold
5	March 11, 2025	CMB Dianjin Series Bullish Two-Tier Range 14-day Structured Deposit (Code: NSZ09537)	Jiaxiang Interactive; CMB	40,000,000	1.30% or 1.80%	March 25, 2025	74,000,000	R1 (Cautious)	Gold
6	March 19, 2025	CMB Dianjin Series Bullish Two-Tier Range 103-day Structured Deposit (Code: NSZ09625)	Yutai Shenzhen; CMB	5,000,000	1.30% or 2.00%	June 30, 2025	74,000,000	R1 (Cautious)	Gold
7	March 24, 2025	CMB Dianjin Series Bullish Two-Tier Range 91-day Structured Deposit (Code: NSZ09680)	Yutai Shenzhen; CMB	5,000,000	1.30% or 2.00%	June 23, 2025	79,000,000	R1 (Cautious)	Gold
8	April 9, 2025	CMB Dianjin Series Bullish Two-Tier Range 91-day Structured Deposit (Code: NSZ09930)	Yaotang Shenzhen; CMB	5,000,000	1.30% or 2.00%	July 9, 2025	15,000,000	R1 (Cautious)	Gold

Management Discussion and Analysis

No.	Commencement Date	Product Name	Parties	Subscription Amount (RMB)	Expected Annualized Return Rate	Maturity Date	Outstanding Principal as of Subscription Date (RMB)	Risk Level	Linked Subject
9	May 15, 2025	CMB Zhihui Series Bearish Two-Tier Range 15-day Structured Deposit (Code: FSZ10280)	Jiaxiang Interactive; CMB	40,000,000	1.30% or 1.70%	May 30, 2025	55,000,000	R1 (Cautious)	EUR/USD Exchange Rate
10	June 3, 2025	CMB Dianjin Series Aggressive 27-Day Range Accrual Structured Deposit (Code: SSZ00108)	Jiaxiang Interactive; CMB	40,000,000	1.00% or 1.04% or 1.75%	June 30, 2025	55,000,000	R1 (Cautious)	Shanghai Gold (AU9999. SGE) Closing Price published by the SGE
11	June 3, 2025	CMB Dianjin Series Aggressive 27-Day Range Accrual Structured Deposit (Code: SSZ00108)	Yaotang Shenzhen; CMB	2,000,000	1.00% or 1.04% or 1.75%	June 30, 2025	57,000,000	R1 (Cautious)	Shanghai Gold (AU9999. SGE) Closing Price published by the SGE
12	June 10, 2025	CMB Dianjin Series Bullish Two-Tier Range 62-day Structured Deposit (Code: NSZ10520)	Yutai Shenzhen; CMB	10,000,000	1.00% or 1.80%	August 11, 2025	67,000,000	R1 (Cautious)	Gold
13	July 2, 2025	CMB Dianjin Series Bullish Two-Tier Range 21-day Structured Deposit (Code: NSZ10844)	Jiaxiang Interactive; CMB	40,000,000	1.00% or 1.65%	July 23, 2025	55,000,000	R1 (Cautious)	Gold
14	July 2, 2025	CMB Dianjin Series Aggressive 29-Day Range Accrual Structured Deposit (Code: SSZ00110)	Yaotang Shenzhen; CMB	2,000,000	1.00% or 1.03% or 1.70%	July 31, 2025	57,000,000	R1 (Cautious)	Shanghai Gold (SHAU.SGE) Afternoon Closing Price published by the SGE
15	July 15, 2025	CMB Dianjin Series Bullish Two-Tier Range 92-day Structured Deposit (Code: NSZ11007)	Yutai Shenzhen; CMB	5,000,000	1.00% or 1.80%	October 15, 2025	57,000,000	R1 (Cautious)	Gold
16	July 15, 2025	CMB Dianjin Series Bullish Two-Tier Range 14-day Structured Deposit (Code: NSZ11002)	Yaotang Shenzhen; CMB	4,000,000	1.00% or 1.65%	July 29, 2025	61,000,000	R1 (Cautious)	Gold
17	August 1, 2025	CMB Zhihui Series Bullish Two-Tier Range 21-day Structured Deposit (Code: NSZ11155)	Jiaxiang Interactive; CMB	40,000,000	1.00% or 1.53%	August 22, 2025	55,000,000	R1 (Cautious)	Gold
18	August 29, 2025	CMB Dianjin Series Bullish Two-Tier Range 32-day Structured Deposit (Code: NSZ11481)	Jiaxiang Interactive; CMB	60,000,000	1.00% or 1.70%	September 30, 2025	65,000,000	R1 (Cautious)	Gold

Note:

- The investment scope of the above structured deposits of CMB is to invest in bank deposits and derivative financial instruments. Derivative financial instruments include but are not limited to credit, equity, commodity, foreign exchange, interest rate options, and other derivative financial instruments.

III. Hua Xia Bank Structured Deposits

No.	Commencement Date	Product Name	Parties	Subscription Amount (RMB)	Expected Annualized Return Rate	Maturity Date	Outstanding Principal as of Subscription Date (RMB)	Risk Level	Linked Subject
1	August 16, 2024	RMB Structured Deposit (Unit) No. 2411372 (Code: DWJGX 2411372)	Jiaxiang Interactive; Hua Xia Bank Co., Limited ("Hua Xia Bank")	60,000,000	1.55% or 1.89%	August 30, 2024	60,000,000	PR2 (Moderately Cautious)	Shanghai Gold Spot Price (AU9999.SGE) published by the SGE.
2	January 2, 2025	RMB Structured Deposit (Unit) No. 10005 (Code: DWJGX2510005)		50,000,000	1.30% or 2.33% or 2.50%	April 2, 2025	50,000,000	PR2 (Moderately Cautious)	Shanghai Gold Spot Price (AU9999.SGE) published by the SGE.
3	April 7, 2025	RMB Structured Deposit (Unit) No. 2510327 (Code: DWJGX 2510327)		50,000,000	1.30% or 2.24% or 2.44%	June 6, 2025	50,000,000	PR2 (Moderately Cautious)	Shanghai Gold Spot Price (AU9999.SGE) published by the SGE.
4	April 11, 2025	RMB Structured Deposit (Unit) No. 2510342 (Code: DWJGX2510342)		50,000,000	1.30% or 2.26% or 2.46%	May 12, 2025	100,000,000	PR2 (Moderately Cautious)	Shanghai Gold Spot Price (AU9999.SGE) published by the SGE.
5	June 3, 2025	RMB Structured Deposit (Unit) No. 2510542 (Code: DWJGX2510542)		50,000,000	1.00% or 2.13% or 2.34%	July 3, 2025	100,000,000	PR1 (Cautious)	Shanghai Gold Spot Price (AU9999.SGE) published by the SGE.
6	June 30, 2025	RMB Structured Deposit (Unit) No. 2510635 (Code: DWJGX2510635)		50,000,000	1.00% or 1.93% or 2.12%	July 30, 2025	100,000,000	PR1 (Cautious)	Shanghai Gold Spot Price (AU9999.SGE) published by the SGE.
7	June 30, 2025	RMB Structured Deposit (Unit) No. 2510635 (Code: DWJGX2510635)		50,000,000	1.00% or 1.93% or 2.12%	July 30, 2025	150,000,000	PR1 (Cautious)	Shanghai Gold Spot Price (AU9999.SGE) published by the SGE.
8	July 30, 2025	RMB Structured Deposit (Unit) No. 2510782 (Code: DWJGX2510782)		50,000,000	1.00% or 2.00% or 2.20%	September 1, 2025	150,000,000	PR1 (Cautious)	Shanghai Gold Spot Price (AU9999.SGE) published by the SGE.
9	August 7, 2025	"Monthly Saver" 22D Structured Deposit No. 2510786 (Code: DWJGX2510786)		50,000,000	1.00% or 1.82% or 1.98%	August 29, 2025	100,000,000	PR1 (Cautious)	Shanghai Gold Spot Price (AU9999.SGE) published by the SGE.

Management Discussion and Analysis

No.	Commencement Date	Product Name	Parties	Subscription Amount (RMB)	Expected Annualized Return Rate	Maturity Date	Outstanding Principal as of Subscription Date (RMB)	Risk Level	Linked Subject
10	August 7, 2025	RMB Structured Deposit (Unit) No. 2510798 (Code: DWJGX2510798)		50,000,000	0.70% or 2.02% or 2.27%	September 8, 2025	150,000,000	PR1 (Cautious)	Shanghai Gold Spot Price (AU9999.SGE) published by the SGE.
11	September 12, 2025	RMB Structured Deposit (Unit) No. 2510903 (Code: DWJGX2510903)		50,000,000	0.65% or 1.85% or 2.10%	November 28, 2025	50,000,000	PR1 (Cautious)	Shanghai Gold Spot Price (AU9999.SGE) published by the SGE.
12	September 12, 2025	RMB Structured Deposit (Unit) No. 2510903 (Code: DWJGX2510903)		50,000,000	0.65% or 1.85% or 2.10%	November 28, 2025	100,000,000	PR1 (Cautious)	Shanghai Gold Spot Price (AU9999.SGE) published by the SGE.

Note:

- The funds raised from the structured deposits of Hua Xia Bank are operated collectively by Hua Xia Bank, which are managed in accordance with the principle of separating basic deposits from derivative transactions. The principal portion raised is incorporated into Hua Xia Bank's internal funds for unified operation and management, and is included in the scope of deposit reserve requirement and deposit insurance premium payments. The derivative component of the product is linked to subjects such as exchange rate, interest rate, commodity, and index. The return depends on the market performance of the linked subjects, and the level of return is uncertain.

For details, please refer to the announcement of the Company dated January 26, 2026.

Save as disclosed in this report, the Group did not have any material acquisitions or disposals of subsidiaries, joint ventures, associates or financial assets during the Reporting Period. As at 31 December 2025, the Group did not have any future plans for significant investments or capital assets.

DIRECTORS

Executive Directors

Mr. WU Chengze (吳承澤), aged 41, is a founder and the Chairman of the Group and an executive Director of the Company. Mr. Wu is primarily responsible for formulating and implementing the overall development strategies and business plans of the Group and overseeing the overall development and operations of our Group. He was appointed as a Director on 7 May 2018 and his position as Chairman and Chief Executive Officer took effect on 20 September 2018. He resigned as the Chief Executive Officer on 5 September 2023. He has held various other positions in the Group, including chief operating officer of the Group prior to 2014 and the general manager of Jiaxiang Interactive (Xiamen) Network Technology Company Limited (家鄉互動(廈門)網絡科技有限公司) (“**Jiaxiang Interactive**”) since September 2015. Mr. Wu has over ten years of experience in the game industry. Prior to founding the Group, Mr. Wu worked at Changchun Anxin Power Technology Co., Ltd. (長春安信電力科技有限公司) as a programmer from August 2006 to September 2009. Mr. Wu is a director of Wu Chengze Network Limited, a substantial Shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (the “SFO”).

Mr. Wu completed his master’s degree in law in July 2009 at Jilin University (吉林大學) in the PRC.

Mr. SU Bo (蘇波), aged 41, is a founder and the Chief Investment Officer of the Group. Mr. Su is primarily responsible for overseeing and managing the strategic development and expansion plan of the Group. He was an executive Director from May 2018 to May 2023 and has been re-appointed in April 2024. He has held various other positions in the Group, including officer responsible for overseeing the financial, legal and administrative matters of the Group and chief investment officer of the Group since February 2018. Mr. Su has over 11 years of experience in the game industry. Prior to founding the Group, Mr. Su worked at Changchun Anxin Power Technology Co., Ltd. (長春安信電力科技有限公司) as a programmer from July 2007 to November 2009. Since September 2017, Mr. Su has also been a mentor of post-graduate students at Changchun University of Technology (長春工業大學). Mr. Su is a director of Su Bo Network Limited, a substantial Shareholder of the Company within the meaning of Part XV of the SFO.

Mr. Su completed his bachelor’s studies in computer software (through distance learning) from Jilin University (吉林大學) in the PRC in June 2007.

Mr. DING Chunlong (丁春龍), aged 38, is an executive Director of the Company. Mr. Ding has over 8 years of experience in game operation and new media marketing and has served as a consultant of the Group. From March 2017 to June 2022, Mr. Ding worked with Jilin Yuke Network Technology Company Limited as a consultant, and was responsible for the company’s overall operation. Since July 2022, Mr. Ding has been a consultant at Yutai (Shenzhen) Network Technology Co., Ltd.* (豫泰(深圳)網路科技有限公司), primarily responsible for the application and research of the Group’s new media operation, live entertainment and infomercial short video production business.

Mr. Ding obtained his certificate of specialization from Changchun University of Technology (長春理工大學) in the PRC.

Independent Non-Executive Directors

Mr. ZHANG Yuguo (張玉國), aged 55, was appointed as an independent non-executive Director of the Company on 5 June 2019, and is responsible for providing independent advice to the Board. Mr. Zhang has worked in Jilin University since March 1996 and currently serves an Associate Professor of the Northeast Asian Studies College of Jilin University (吉林大學東北亞研究院) in the PRC.

Mr. Zhang obtained his doctor degree in law from the College of Administration of Jilin University (吉林大學行政學院) in June 2008.

Mr. HU Yangyang (胡洋洋), aged 36, was appointed as an independent non-executive Director of the Company on 5 June 2019, and is responsible for providing independent advice to the Board. Mr. Hu serves as an associate of the Investment Banking Division of Ping An Securities Co., Ltd. since July 2015, primarily advising on initial public offerings and other corporate finance related matters. Prior to joining Ping An Securities Co., Ltd., Mr. Hu worked at the Financial Services Organization of Ernst & Young Hua Ming LLP Shanghai Branch from October 2012 to March 2015 and was mainly responsible for conducting financial audits.

Mr. Hu received his bachelor's degree in business administration from Shanghai Jiao Tong University (上海交通大學) in the PRC in June 2012 and obtained his master's degree in economics from Shanghai University of Finance and Economics (上海財經大學) in June 2018. Mr. Hu has been a non-practising member of The Chinese Institute of Certified Public Accountants (CICPA) since March 2017 and became a member of The Association of Chartered Certified Accountants (ACCA) since March 2017.

Ms. GUO Ying (郭瑩), aged 64, was appointed as an independent non-executive director of the Company on 29 December 2020, and is responsible for providing independent advice to the Board. Ms. Guo worked as a project assistant in the engineering department at Jilin Cogeneration Plant from March 1983 to April 1999. She was a training manager of human resources department at Changchun Noble Hotel (currently known as Hainan Airline Hotel Noble Changchun) from May 1999 to October 2005. From November 2005 to December 2016, Ms. Guo served as the recruitment manager of human resources department at Jilin Electric Power Research Institute Co., Ltd.

Ms. Guo obtained her bachelor's degree in thermal power engineering from Northeast Electric Power College (東北電力學院) (currently known as Northeast Electric Power University (東北電力大學)) in the PRC in 1998.

SENIOR MANAGEMENT

Mr. LI Wei (李偉), aged 42, is the assistant of the Chairman of the Group. He is responsible for assisting the Chairman of the Group in formulating and implementing the overall development strategies and business plans of the Group. Mr. Li joined the Group in August 2013 and has held various positions in the Group, including marketing director at Jilin Xinze. He has over 15 years of experience in sales management. Prior to joining the Group, Mr. Li served as sales manager at Beijing Yicai Internet Technology Co., Ltd. (北京易彩互聯科技有限公司) from May 2005 to December 2006. From January 2007 to March 2008, he was the sales development director of Asian Financial (Beijing) Investment Co. Ltd. (亞洲金控(北京)投資有限公司). From December 2010 to July 2013, Mr. Li worked at Netconcepts Internet Technology (Beijing) Co., Ltd. (耐特康賽網絡技術(北京)有限公司) as business development director.

Mr. Li received a diploma in e-commerce from Beijing Wuzi University (北京物資學院) in the PRC in January 2007.

JOINT COMPANY SECRETARIES

Mr. WU Jieran (吳介然), aged 36, is a joint company secretary of the Company and was appointed on 26 September 2023. Mr. Wu joined the Company in March 2021 as the Investment Director of the Strategic Investment Department, responsible for the Company's capital market affairs, strategic investments and acquisitions, financial investments, and comprehensive financial and legal management of invested subsidiaries. Mr. Wu has 13 years of working experience in the fields of financial management, strategic investment and risk management. Before joining the Group, Mr. Wu served as the risk control director of EZY Capital and is responsible for the due diligence and risk assessment of the company's proposed investment projects, as well as the overall management of the financial and legal affairs of the invested companies. From 2011 to 2016, he served as the manager of the Audit Department at PWC Shanghai Branch. During his tenure at PWC, Mr. Wu participated in numerous M&A transactions and provided audit services to U.S. and Hong Kong-listed companies based on the old and new Chinese Accounting Standards for Business Enterprises, international and Hong Kong Accounting Standards for Business Enterprises, US Accounting Standards, etc.

Mr. Wu obtained a bachelor's degree in management from Shanghai University of Finance and Economics in 2011. In 2016, Mr. Wu passed the fund practitioner qualification examination organized by the Asset Management Association of China. Later, Mr. Wu became a member of the Chinese Institute of Certified Public Accountants in 2017.

Directors and Senior Management

Mr. Chan Yik Pun (陳奕斌), aged 44, is a joint company secretary of the Company and was appointed on 28 February 2026. Mr. Chan is currently the Chief Financial Officer of Tianfang Jincheng (HK) Limited. Mr. Chan is also an independent non-executive director of China Suntien Green Energy Corporation Limited, the shares of which are listed on the Stock Exchange (stock code: 956) and the Shanghai Stock Exchange (stock code: 600956.SH), Yunhong Guixin Group Holdings Limited (stock code: 8349), and is a joint company secretary of Beijing Biostar Pharmaceuticals Co., Ltd., the shares of which are listed on the Stock Exchange (stock code: 2563). Mr. Chan has over 18 years of professional experience in financial accounting, auditing and corporate finance. He successively served as the financial controller and head of finance of Tianfang Hospitality Management Pte. Ltd., company secretary of Natural Food International Holding Limited (stock code: 1837), the financial controller in the hotel division of Sun Hung Kai Real Estate Agency Limited (subsidiary of the Sun Hung Kai Properties Limited (stock code: 0016)), the senior accountant of Ernst & Young (Shanghai) and Ernst & Young (Australia), and the senior accountant of Grant Thornton LLP. Mr. Chan obtained his bachelor's degree in business with a major in accounting and a minor in economics from Monash University in Australia. Mr. Chan is a qualified accountant and a member of Hong Kong Institute of Certified Public Accountants and Certified Practising Accountant Australia.

The Directors are pleased to present this annual report and the audited consolidated financial statements of the Group for the year ended 31 December 2025. Other sections, reports or notes of this annual report mentioned below form part of this Report of Directors.

PRINCIPAL ACTIVITIES

The Group is principally engaged in the development and operation of localized mobile card and board games in China with a special focus on localized mahjong and poker games. The Group also develops and operates casual games and beginning in August 2018, leveraging its large player base, the Group commenced the distribution of third-party mobile games. In 2017, the Group recognized the increasing need for socialising functions in mobile games and introduced private game room function to some of its mahjong and poker game products. In 2018, the Group broadened its income stream by inserting certain in-game advertisement slots in its mini-programs and shared the income, typically measured by user clicks, with those mini-program platform operators, mainly WeChat. A list of the Company's subsidiaries, together with their places of incorporation, principal activities and particulars of their issued shares/paid up capital, is set out in note 38 to the consolidated financial statements in this annual report.

BUSINESS REVIEW

Overview and Performance of the Year

A review of the business of the Group during the year ended 31 December 2025, a discussion and analysis on the Group's future business development and the key financial and operational performance indicators employed by the Directors in measuring the performance of the Group's business are set out in the section headed "Management Discussion and Analysis" on pages 12 to 28 of this annual report.

Environmental Policies and Performance

The Group is not subject to any significant health, safety or environmental risks. The Group is committed to fulfilling social responsibility, promoting employee benefits and development, protecting the environment and giving back to community and achieving sustainable growth. Details of such are set out in the section headed "Environmental, Social and Governance Report" of this annual report.

Compliance with Relevant Laws and Regulations

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

As far as the Board is aware, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group and has obtained all material licenses, approvals and permits from relevant regulatory authorities for the operations of the Group in the PRC. During the year ended 31 December 2025, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

Key Relationship with Stakeholders

The Group recognizes that various stakeholders including employees, customers, suppliers and Shareholders. The Group strives to achieve corporate sustainability through engaging, collaborating, and cultivating strong relationship with them.

The remuneration of employees of the Group will be based on their performance, experience and the prevailing market remuneration. The total remuneration of employees includes basic salaries and performance-based bonus. Moreover, the Group has also adopted the 2019 Share Award Scheme and the 2025 Share Scheme. The remuneration policy of the Directors is reviewed and determined by the remuneration committee having regard to the Directors' experience, responsibilities, workload and time devoted to the Group and performance of the Group.

The Company's major suppliers include third-party game distribution channels, payment vendors, cloud service providers, internet data center providers and online and offline advertising partners. On average, the Company has 5 years of business dealings with its major suppliers. All of the Company's five largest suppliers are independent third parties.

The Company's ultimate customers are individual game players, who purchase virtual tokens for consumption in the Group's self-developed mobile game products.

The principal goal of the Group is to maximize the return to the Shareholders. The Group will focus on its core business for achieving sustainable profit growth and rewarding the Shareholders with dividend payouts taking into account the business development needs and financial health of the Group.

During the year ended 31 December 2025, there were no material and significant dispute between the Group and its suppliers, customers and/or other stakeholders.

Key Risks and Uncertainties and Risk Management

The business operations and results of the Group may be affected by various factors, some of which are external causes and some are inherent to the business. The Board is aware that the Group is exposed to various risks and the principal risks and uncertainties are summarized below:

- two game categories, namely mahjong and poker game variations have accounted for a substantial portion of the Group's revenue; any failure to maintain or enhance the performance of games in these game categories could materially and adversely affect the Group's business and results of operations;
- the growth of the Group depends on its ability to attract new players and retain existing players. If the Group fails to strengthen its existing game portfolio, launch high-quality new games or game variations and enhance player experience, its ability to continue to retain existing players and attract new players will be materially and adversely affected;
- the Group primarily distributes its mobile game products through its proprietary channel; any disruption of its proprietary channel could materially and adversely affect the Group's business, financial condition and results of operation;
- only a portion of the Group's registered players were paying players. To sustain growth of the Group, it must continue to monetize its players more effectively. If the Group is unable to retain its paying players, attract new paying players, convert non-paying players to paying players or increase or maintain the in-game purchases by its players, the Group's revenue and profit margin may be adversely affected;

- the Group utilizes third party payment vendors, mainly WeChat Pay and Alipay, to facilitate players' in-game purchases. The Group relies on the stability of such payment transmissions to ensure the continued payment services to be available to its players and is subject to risks and uncertainties associated with the use of third party payment vendors;
- the Group primarily relies on its self-generated user traffic. However, it also from time to time utilize various third-party game distribution channels, including cellphone manufacturers such as Huawei, OPPO and Vivo and major online application stores, such as Tencent MyApp (騰訊應用寶) and Apple Inc.'s App Store, for the distribution and promotion of its game products. If the Group is unable to maintain good relationships with these third-party distribution channels, its business and results of operations will be adversely affected; and
- the mobile game industry in the PRC is under increased public scrutiny and is subject to complex and evolving domestic and international laws and regulations and the Group's games and operations are subject to laws and regulations of the PRC. There is no assurance that such laws and regulations would not be interpreted in ways that could affect the Group's business.

The Company believes that risk management is essential to the Group's efficient and effective operation. The Company's management assists the Board in evaluating material risk exposure arising internally and externally from the Group's business, including operational risks, financial risks, regulatory risks, etc. and proactively setting up appropriate risk management and internal control mechanism which is embedded in daily operation management.

Events after Reporting Period

Ms. Ng Ka Man has tendered her resignation as (i) the joint company secretary of the Company (the **"Joint Company Secretary"**); (ii) the authorised representative of the Company (the **"Authorised Representative"**) pursuant to Rule 3.05 of the Listing Rules; and (iii) the authorised representative of the Company under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and Rule 19.05(2) of the Listing Rules for the acceptance of service of process and notices on behalf of the Company in Hong Kong (the **"Process Agent"**) with effect from 28 February 2026. Mr. Chan Yik Pun has been appointed as the Joint Company Secretary, the Authorised Representative and the Process Agent with effect from 28 February 2026. Further details are set out in the Company's announcement dated 27 February 2026.

Ms. Cui Wei has tendered her resignation as the Chief Executive Officer of the Company with effect from 10 April 2026 as she needs to devote more time on her personal and other business commitments. Upon the resignation taking effect, Ms. Cui no longer holds any position in the Group.

In light of the recent amendments to the Listing Rules which requiring listed issuers to disseminate corporate communications to their securities holders electronically and ensure that their articles of association enable them to hold hybrid general meeting of shareholders and provide electronic voting means and having regard to the actual circumstances of the Company, the Board resolved at a meeting on 30 March 2026 to propose (i) to make certain amendments (the **"Proposed Amendments"**) to the second amended and restated memorandum and articles of association of the Company (the **"Existing M&A"**) in order to bring them in line with the amendments made to the Listing Rules; and (ii) to adopt the third amended and restated memorandum and articles of association of the Company (the **"Amended M&A"**) incorporating and consolidating all the Proposed Amendments, in substitution for, and to the exclusion of, the Existing M&A. The Proposed Amendments and the proposed adoption of the Amended M&A are subject to the consideration and approval by the Shareholders of the Company by way of a special resolution at the forthcoming annual general meeting to be convened by the Company and shall be effective thereupon. For details, please refer to the announcement of the Company dated 30 March 2026.

During the period from 5 January 2026 to 24 April 2026 (the latest practicable date for ascertaining the information for inclusion in this annual report), the Company has repurchased 2,242,000 Shares on the Stock Exchange with total consideration of HK\$3,075,660, which have been held as treasury shares. Further details are set out in the Next Day Disclosure Returns published by the Company during such period. Save as disclosed above, there was no other important event affecting the Group which occurred after the end of the Reporting Period up to the date of this annual report.

Outlook for 2026

In 2026, the Group will continue its efforts to further solidify its leading position in the localized mobile card and board game industry in China by continuing the growth strategies set out in page 11 of this annual report.

DIRECTORS

The Directors during the Reporting Period and up to the date of this annual report were:

Executive Directors

Mr. WU Chengze (*Chairman*)
Mr. SU Bo
Mr. DING Chunlong

Independent Non-Executive Directors

Mr. ZHANG Yuguo
Mr. HU Yangyang
Ms. GUO Ying

Biographies of the Directors and Senior Management

The biographical details of the Directors and the senior management of the Company are set out in the section headed “Directors and Senior Management” on pages 29 to 32 of this annual report.

Service Contracts, Service Agreements and Letters of Appointment of the Directors

Each of the Company’s executive Directors has entered into a service contract with the Company on 5 June 2022, and the Company’s independent non-executive Directors have signed letters of appointments with the Company. The service contracts with each of the executive Directors, other than Mr. Ding Chunlong and Mr. Su Bo, and the letters of appointment with the independent non-executive directors, other than Ms. Guo Ying, are for an initial fixed term of three years commencing from 4 July 2022. The service agreement with Mr. Ding Chunlong is with a fixed term of three years commencing from 30 March 2023. The service agreement with Mr. Su Bo with a term of three years commencing from 5 April 2024. The letter of appointment with Ms. Guo Ying is an initial fixed term of three years commencing from 29 December 2023. Following the expiry of their initial terms, the letters of appointment with the relevant independent non-executive Directors were renewed in 2025, and the service contracts with the relevant executive Directors were renewed in 2026. The service contracts and letters of appointment may be terminated in accordance with the respective terms thereof. The service contracts may be renewed in accordance with the Company’s amended and restated memorandum and articles of association (the “**Articles of Association**”) and the applicable Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

None of the Directors proposed for re-election at the forthcoming annual general meeting (the “**AGM**”) has a service contract or a letter of appointment with the Company or any member of the Group which is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

Remuneration of the Directors and Five Highest Paid Individuals

Details of the Directors' remuneration and the five highest paid individuals in the Group are set out in note 13 to the consolidated financial statements in this annual report.

Independence of Independent Non-Executive Directors

The Company has received from each of the independent non-executive Directors an annual confirmation of his/her independence. The Company considers that all of the independent non-executive Directors are independent in accordance with the guidelines set out in the Listing Rules.

Change in Directors' Biographical Details under Rule 13.51B(1) of the Listing Rules

Saved as disclosed in this annual report, since the date of the 2025 interim report, there has been no change in the Directors' biographical details which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Employees and Remuneration Policies

The Directors believe that effective talent management is the foundation for the Group's successful long-term development. The Group greatly values its employees and will continue to attract, cultivate and retain talent. The Group provides orientation and training to new recruits as well as ongoing inhouse training for junior employees, which the Group believes can enhance the skills and productivity of its employees. The Group compensates employees with base salaries and performance-based bonuses. The Group has designed an annual review system to assess the performance of its employees, which forms the basis of the determinations on salary raises, bonuses and promotion. The Directors believe the salaries and benefits that the Group's employees receive are competitive with market standards in each geographic location where the Group conducts business. In addition, the Company has adopted two share schemes to incentivize employees and senior management and to align their interests with that of the Company.

SHARE INCENTIVE SCHEMES

Share Option Scheme

On 5 June 2019, a share option scheme of the Company was approved and adopted by the Shareholders (the **"Share Option Scheme"**). The purpose of the Share Option Scheme is to incentivize and reward the employees (whether full time or part-time) or directors of members of the Group or associated companies of the Company (the **"Eligible Persons"**) for their contribution to the Group and to align their interests with that of the Company so as to encourage them to work towards enhancing the value of the Company. Pursuant to the Share Option Scheme, the Board (including any committee or delegate of the Board appointed by the Board to perform any of its functions pursuant to the rules of the Share Option Scheme) may, at its absolute discretion, offer to grant an option to subscribe for such number of shares of the Company (the **"Share(s)"**) as the Board may determine to an Eligible Person.

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company (the “**Other Schemes**”) must not in aggregate exceed 10% of the total number of Shares in issue as at the listing date of the Company (the “**Listing Date**”), being 125,600,000 Shares (equivalent to approximately 9.83% of the Company’s issued shares (excluding treasury shares) as at the date of this annual report), or such higher limit as the Stock Exchange may allow pursuant to a waiver granted at the Stock Exchange’s discretion (the “**Scheme Mandate Limit**”).

Options lapsed in accordance with the terms of the Share Option Scheme and the Other Schemes will not be counted for the purpose of calculating the Scheme Mandate Limit.

At any time, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and not yet exercised under the Share Option Scheme and the Other Schemes to Eligible Persons must not exceed 30% of the total number of Shares in issue from time to time.

No options shall be granted to any Eligible Person under the Share Option Scheme and the Other Schemes which, if exercised, would result in such Eligible Person becoming entitled to subscribe for such number of Shares as, when aggregated with the total number of Shares already issued or to be issued to him under all options granted to him (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of offer of such options, exceeds 1% of the Shares in issue at such date or such higher limit as the Stock Exchange may allow pursuant to a waiver granted at the Stock Exchange’s discretion. Any further grant of options to an Eligible Person in excess of this 1% limit or such higher limit as the Stock Exchange may allow pursuant to a waiver granted at the Stock Exchange’s discretion shall be subject to the approval of the Shareholders in general meeting with such Eligible Person and his close associates (or if such Eligible Person is a connected person of the Company, his associates) abstaining from voting.

The Share Options granted shall be open for acceptance for a period of not exceeding 30 days inclusive of, and from, the date of offer of the Share Options. An offer of Share Options not accepted within this period shall lapse. An amount of HK\$1.00 is payable upon acceptance of the grant of the Share Options and such payment shall not be refundable and shall not be deemed to be a part payment of the exercise price.

The exercise price shall be such price as determined by the Board and notified to an option-holder and which shall not be less than the higher of (i) the closing price of the Shares as stated in the Stock Exchange’s daily quotation sheets on the date of offer of the option; (ii) the average of the closing price of the Shares as stated in the Stock Exchange’s daily quotation sheets for the five trading days immediately preceding the date of offer of the option; and (iii) the nominal value of the Shares.

The Share Option Scheme was terminated on 2 April 2025. For details, please refer to the announcement of the Company dated 2 April 2025.

Any option shall be vested on an option-holder immediately upon his acceptance of the offer of options provided that if any vesting schedule and/or conditions are specified in the offer of the option, such option shall only be vested on an option-holder according to such vesting schedule and/or upon the fulfillment of the vesting conditions (as the case may be). Any vested option which has not lapsed and which conditions have been satisfied or waived by the Board in its sole discretion may, unless the Board determines otherwise in its absolute discretion, be exercised at any time from the next business day after the offer of options has been accepted. Any option which remain unexercised shall lapse upon the expiry of the option period, which period shall be determined by the Board and shall not exceed ten years from the offer date of the option.

Up to 30 September 2021, out of the 62,360,000 Share Options granted on 14 November 2019, 1,600,000 options granted to two option grantees were lapsed due to the termination of their employment with the Company, and 60,760,000 Share Options remained outstanding ("**Outstanding Existing Options**"). As at 30 September 2021, none of the Share Options were exercised by the option grantees. The Board resolved to cancel the Outstanding Existing Options with effect from 30 September 2021. For the year ended 31 December 2025, no Share Options were granted, exercised, cancelled or lapsed under the Share Option Scheme. No Share Options were outstanding under the Share Option Scheme as at 1 January 2025 and 31 December 2025, respectively. As the Share Option Scheme has been terminated on 2 April 2025, 64,840,000 and 0 Share Options were available to be granted under the Share Option Scheme as at 1 January 2025 and 31 December 2025, respectively.

During the Reporting Period, rule 17.07(3) of the Listing Rules was not applicable to the Share Option Scheme for the year as the Company did not grant any Share Options that involve issue of new Shares in 2025.

Please refer to note 36 to the financial statements for further information of the Share Option Scheme.

2019 Share Award Scheme

The 2019 Share Award Scheme was approved and adopted by the Board on 6 June 2019, under which the Board may, from time to time at its absolute discretion select any individual who is an employee, officer, agent or consultant of the Company or any of its subsidiaries (the "**Subsidiaries**" and for the avoidance of doubt, including Jiaxiang Interactive (Xiamen) Network Technology Company Limited and its subsidiaries) who is not a connected person (as defined or deemed to be the case under the Listing Rules) of the Company; and if the Board or any committee of the Board delegated with the power and authority to administer the 2019 Share Award Scheme so determines in its absolute discretion, any director (including executive and non-executive director) of the Company or any Subsidiary to be a selected participant and grant Share Awards to such selected participant.

The purpose of the 2019 Share Award Scheme is to (i) encourage or facilitate the holding of Shares by the participants selected by the Board in accordance with the terms of and entitled to receive a grant of share awards (the "**Share Awards**") under the 2019 Share Award Scheme (the "**Selected Participant**"); (ii) encourage and retain such individuals to work with the Group; and (iii) provide additional incentive for them to achieve performance goals. The 2019 Share Award Scheme shall be valid for ten years commencing from the adoption date.

Pursuance to the rules of the 2019 Share Award Scheme, the maximum number of new Shares that can be allotted and issued for the purpose of the 2019 Share Award Scheme in any financial year is 3% of the total number of issued Shares at the relevant time (the “**New Share Limit**”); and the maximum number of new Shares that can be allotted and issued to a Selected Participant in any 12-month period is 1% of the total number of issued Shares at the relevant time. There is no limit on (i) the number of Shares that can be purchased pursuant to the 2019 Share Award Scheme; (ii) the amount paid to the Trustee for the purpose of making such a purchase; or (iii) the number of existing Shares granted to a Selected Participant.

On 3 June 2024, the Board resolved that the 2019 Share Award Scheme would be funded solely by the existing shares of the Company and would not involve the issuance of any new shares. For details, please refer to the announcement of the Company dated 3 June 2024. Therefore, as at the date of this report, the number of Share Awards available for issue under the 2019 Share Award Scheme were nil, representing 0% of issued shares of the Company as at the date of this report.

There is no amount payable and payment term upon acceptance of the Share Awards, and no purchase price for Shares awarded under the 2019 Share Award Scheme. The Board may from time to time while the 2019 Share Award Scheme is in force determine any vesting criteria or conditions for any Share Awards to be vested or credited. Such vesting criteria may be based on the passage of time after the grant of Share Awards, the satisfaction of specified performance criteria relating generally to the Company or particularly to a Selected Participant or the satisfaction of any other conditions as the Board may in its discretion determine for any Selected Participant and as set out in the relevant grant letter or agreement for and with the relevant Selected Participant.

Subject to any termination as may be determined by the Board pursuant to the 2019 Share Award Scheme Rules, the 2019 Share Award Scheme shall be valid and effective for a period of ten (10) years commencing on 6 June 2019. Accordingly, as at 31 December 2025, the remaining life of the 2019 Share Award Scheme is approximately 3.5 years.

Details of the Share Awards granted under the 2019 Share Award Scheme

In May 2019, the Company has appointed The Core Trust Company Limited as a trustee for the purpose of the 2019 Share Award Scheme pursuant to the 2019 Share Award Scheme Rules. In November 2021, the Company has appointed Futu Trustee Limited (together with The Core Trust Company Limited, the “**Trustees**”) as another trustee for the purpose of the 2019 Share Award Scheme pursuant to the 2019 Share Award Scheme Rules. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Trustees and their ultimate beneficial owners are third parties independent of the Company and the connected persons of the Company. The Company had entered into separate trust deeds with the two Trustees in relation to their respective appointment as the trustee of the 2019 Share Award Scheme (the “**Trust Deeds**”). The Trustees shall administer the 2019 Share Award Scheme in accordance with the 2019 Share Award Scheme Rules and the respective Trust Deeds.

Rule 17.07(3) of the Listing Rules was not applicable to the 2019 Share Award Scheme for the year as the Company did not grant any Share Awards to be satisfied through the issue of new Shares by the Company in 2025.

Details of the Share Awards granted to the grantees pursuant to the 2019 Share Award Scheme are set out below:

					Number of Share Awards					
					Unvested as at 1 January 2025	Granted During the Reporting Period	Vested During the Reporting Period	Lapsed During the Reporting Period	Canceled During the Reporting Period	Unvested as at 31 December 2025
Category of Participants	Award Date	Number of Share Awards	Purchase Price	Vesting Period						
Share Awards settled through the issuance of new shares by the Company to the grantees										
Mr. TANG Yinghao (then Executive Director, resigned as an Executive Director on 6 June 2024)	30 September 2021	1,000,000	US\$0.000005 per Share Award	30 April 2022 to 30 April 2024	—	—	—	—	—	—
Employees	30 September 2021	1,600,000	US\$0.000005 per Share Award	30 April 2022 to 30 April 2024	—	—	—	—	—	—
Employees	30 September 2021	25,803,500	US\$0.000005 per Share Award	30 April 2022 to 30 April 2024	—	—	—	—	—	—
Share Awards settled through shares purchased by the trustee on the open market										
Five highest paid Individuals of 2022 (not being directors of the Company)	31 March 2022	3,624,490	Nil	1 April 2022	—	3,624,490	3,624,490	—	—	—
Five highest paid Individuals of 2022 (not being directors of the Company)	8 July 2022	12,000,000	Nil	8 July 2022	—	12,000,000	12,000,000	—	—	—
Other employees	31 March 2022	6,317,459	Nil	1 April 2022	—	6,317,459	6,317,459	—	—	—
Mr. TANG Yinghao (then Executive Director, resigned as an Executive Director on 6 June 2024)	9 May 2023	100,658	Nil	9 May 2023	—	100,658	100,658	—	—	—
Mr. DING Chunlong (Executive Director)	9 May 2023	12,000,000	Nil	9 May 2023	—	12,000,000	12,000,000	—	—	—
	10 October 2023	19,000,000	Nil	10 October 2023	—	19,000,000	19,000,000	—	—	—
	10 November 2023	1,250,000	Nil	10 November 2023	—	1,250,000	1,250,000	—	—	—
Mr. GUO Shunshun (then Executive Director, resigned on 1 June 2023)	9 May 2023	1,000,000	Nil	9 May 2023	—	1,000,000	1,000,000	—	—	—
Five highest paid Individuals of 2023 (not being directors of the Company)	9 May 2023	3,184,916	Nil	9 May 2023	—	3,184,916	3,184,916	—	—	—
Other employees	9 May 2023	3,026,101	Nil	9 May 2023	—	3,026,101	3,026,101	—	—	—

Report of Directors

Category of Participants	Award Date	Number of Share Awards	Purchase Price	Vesting Period	Number of Share Awards					
					Unvested as at 1 January 2025	Granted During the Reporting Period	Vested During the Reporting Period	Lapsed During the Reporting Period	Canceled During the Reporting Period	Unvested as at 31 December 2025
Mr. DING Chunlong (Executive Director)	2 April 2024	698,338	Nil	2 April 2024	—	698,338	698,338	—	—	—
Mr. SU Bo (Executive Director)	2 April 2024	698,338	Nil	2 April 2024	—	698,338	698,338	—	—	—
Ms. CUI Wei (Chief Executive Officer, resigned on 10 April 2026)	2 April 2024	1,000,000	Nil	2 April 2024	—	1,000,000	1,000,000	—	—	—
Other employees	2 April 2024	2,435,865	Nil	2 April 2024	—	2,435,865	2,435,865	—	—	—
Five highest paid Individuals of 2024 (not being directors of the Company)	3 June 2024	2,173,913	Nil	3 June 2024	—	2,173,913	2,173,913	—	—	—
Five highest paid Individuals of 2024 (not being directors of the Company)	10 September 2024	10,660,000	Nil	10 September 2024	—	10,660,000	10,660,000	—	—	—
Other employees	10 September 2024	11,786,201	Nil	10 September 2024	—	11,786,201	11,786,201	—	—	—
Ms. CUI Wei (Chief Executive Officer, resigned on 10 April 2026)	2 April 2025	1,000,000	Nil	2 April 2025	—	1,000,000	1,000,000	—	—	—
Five highest paid Individuals of 2025 (not being directors of the Company)	2 April 2025	500,000	Nil	2 April 2025	—	500,000	500,000	—	—	—
Other Employees	2 April 2025	2,124,487	Nil	2 April 2025	—	2,124,487	2,124,487	—	—	—
Five highest paid Individuals of 2025 (not being directors of the Company)	12 September 2025	4,233,967	Nil	12 September 2025	—	4,233,967	4,233,967	—	—	—
Total		127,218,233			—	98,814,733	98,814,733	—	—	—

Notes:

1. For details of the above Share Awards (including the vesting conditions, if any), please refer to note 36 to the financial statements. For details of the accounting policy for share-based payment and the basis for fair value calculation, please refer to note 3 to the financial statements.
2. For the Share Awards granted on April 2, 2025, the closing price of the shares on April 1, 2025, which was the trading day immediately preceding the relevant date of grant, was HK\$1.09. The fair value of the relevant Share Awards of HK\$3,951,000 (equivalent to RMB3,645,000) was determined based on the market price on the date of grant of HK\$1.09 per share. The Share Awards were not subject to any specific conditions, performance targets or lock-up restrictions.
3. For the Share Awards granted on September 12, 2025, the closing price of the shares on September 11, 2025, which was the trading day immediately preceding the relevant date of grant, was HK\$0.96. The fair value of the relevant Share Awards of HK\$4,107,000 (equivalent to RMB3,745,000) was determined based on the market price on the date of grant of HK\$0.97 per share. The Share Awards were not subject to any specific conditions, performance targets or lock-up restrictions.
4. The weighted average closing price of the shares immediately preceding the vesting of the Share Awards during 2025 was HK\$1.02 per share.
5. As disclosed above, the Board resolved on 3 June 2024 that the Share Award Scheme would only apply to the existing shares and would not involve the issuance of any new shares thereafter. Accordingly, there were no Share Awards available for issuance under the Share Award Scheme as at 1 January 2025 and 31 December 2025, respectively.
6. The shares price was obtained from Futu.

2025 Share Scheme

The Company adopted the 2025 Share Scheme at the annual general meeting of the Company held on 17 June 2025 (the “**Adoption Date**”), which shall be in compliance with the Chapter 17 requirements of the Listing Rules. The purpose of the 2025 Share Scheme is to encourage or facilitate the holding of Shares by certain eligible participants (“**Eligible Participants**”), to encourage and retain such individuals to work with the Group, and to provide additional incentive for them to achieve performance goals, with a view to achieving the objectives of increasing the value of the Company and aligning the interests of certain Eligible Participants with the Shareholders through ownership of Shares. Eligible Participants include the employees of the Company or any subsidiary, any person (including entities) providing services to the Group on a continuing basis or recurring basis and employee, director or officer of related entity(ies) of the Company.

The Board shall be responsible and have full authority for administering the 2025 Share Scheme and the authority to administer the 2025 Share Scheme may be delegated by the Board to the administration committee. The awards under the 2025 Share Scheme may take the form of (i) a Share option, which vests in the form of the right to subscribe for such number of Shares as the Board may determine, or (ii) a Share award, which vests in the form of (a) existing Shares; and/or (b) the right to subscribe for and/or be issued such number of new Shares as the Board may determine.

As at 31 December 2025, no trustee has been appointed to administer and implement the 2025 Share Scheme. If a trustee is appointed by the Company in the future, such trustee will be independent of the Company and its connected persons in accordance with the Listing Rules and shall comply with the requirements regarding voting arrangements as set out under Rule 17.05A of the Listing Rules.

The maximum number of Shares issuable pursuant to the 2025 Share Scheme and any other schemes of the Company (if any) in aggregate will be 128,340,350 Shares, being 10% of the total number of Shares in issue (excluding the Treasury Shares (if any)) as at the Adoption Date (the “**2025 Scheme Mandate Limit**”) (equivalent to approximately 10.05% of the Company’s issued shares (excluding treasury shares) as at the date of this annual report). Within the 2025 Scheme Mandate Limit, the maximum number of Shares issuable to the Service Provider Participants pursuant to the 2025 Share Scheme and any other schemes of the Company (if any) in aggregate will be 12,834,035 Shares, representing no more than approximately 1% of the total number of Shares in issue (excluding the Treasury Shares (if any)) as at the Adoption Date (the “**Service Provider Sublimit**”). There is no limit on (i) the number of Shares that can be purchased pursuant to the 2025 Share Scheme or (ii) the amount paid to the trustee for the purpose of making such a purchase. The Company may refresh either of the 2025 Scheme Mandate Limit and/or the Service Provider Sublimit in accordance with the 2025 Scheme Rules and the Listing Rules, as further approved by Shareholders at general meeting.

The total number of Shares issued and to be issued upon exercise of Share Awards and/or Share Options granted and to be granted under the 2025 Share Scheme and any other share schemes of the Company to each Eligible Participant (including both exercised and outstanding Share Option(s)) in any 12 month period shall not exceed 1% of the total number of Shares in issue (excluding any Treasury Shares) (“**1% Individual Limit**”). Any further grant of Share Awards and/or Share Options to an Eligible Participant which would exceed the 1% Individual Limit shall be subject to separate approval of the Shareholders in general meeting with the relevant Eligible Participant and their close associates/associates abstaining from voting. Where any grant of new Shares under the Share Awards (but not any grant of new Shares under the Share Options) to any Director (other than an independent non-executive Director) or chief executive of the Company (or any of their respective associates) would result in the new Shares issued and to be issued in respect of all Share Awards granted (excluding any Share Awards lapsed in accordance with the terms of the 2025 Share Scheme) to such person in the 12-month period (including the date of such grant) represent in aggregate over 0.1% of the Shares in issue (excluding Treasury Shares (if any)); or where any grant of new Shares under the Share Awards and/or the Share Options to an independent non-executive Director or substantial Shareholder of the Company (or any of their respective associates) would result in the number of new Shares issued and to be issued upon exercise of all Share Awards and/or Share Options already granted (excluding any Share Awards and/or Share Options lapsed in accordance with the terms of the 2025 Share Scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of Shares in issue (excluding Treasury Shares (if any)), such further grant of Share Awards and/or Share Options must be approved by the Shareholders in general meeting.

The exercise period for Share Options shall be no longer than ten years from the grant date. A Share Option shall lapse automatically and shall not be exercisable on the expiry of the tenth anniversary from the grant date. The vesting date in respect of any Share Awards or Share Options for all Eligible Participants must not be less than 12 months from the grant date. The administration body may at its discretion grant a shorter vesting period to an employee participant in the circumstances specified in the scheme rules. The Board may determine the amount (if any) payable on application or acceptance of a Share Award and/or a Share Option and the period within which any such payments must be made, which amounts (if any) and periods shall be set out in the grant Letter. Such amount will either be HK\$1.0 (for a Share Option) or nil (for a Share Award) . Unless otherwise specified in the grant Letter, the grantee shall have 21 business days from the grant date to accept the Share Award and/or the Share Option, following which, the portion not accepted by the grantee shall automatically lapse. The purchase price for the award which takes the form of Share Awards shall be such price determined by the Board on an individual basis, and notified to the grantee in the grant letter. For the avoidance of doubt, the Board may determine the purchase price to be nil. For the grant of Share Option(s), the Board shall determine and notify the grantee in the grant letter the exercise price for such Share Option(s), provided that the exercise price shall in any event be no less than the higher of: (a) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the grant date; and (b) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the grant date.

As the 2025 Share Scheme was adopted by the Company on 17 June 2025, (i) based on the 2025 Scheme Mandate Limit, the total number of Share Awards funded by new Shares issued or to be issued and/or Share Options available for grant under the 2025 Share Scheme as at 1 January 2025 and 31 December 2025 were 0 and 128,340,350, respectively; (ii) based on the Service Provider Limit, the total number of Share Awards funded by new Shares issued or to be issued and/or Share Options available for grant to the Service Provider Participants under the 2025 Share Scheme as at 1 January 2025 and 31 December 2025 were 0 and 12,834,035, respectively.

Subject to any early termination of the terms of the 2025 Share Scheme, the 2025 Share Scheme shall be valid and effective for a period of ten (10) years commencing on the Adoption Date. Accordingly, as at 31 December 2025, the remaining life of the 2025 Share Scheme is approximately 9.5 years.

The principal terms of the 2025 Share Scheme are set forth in the circular made by the Company dated 26 May 2025.

During the year ended 31 December 2025, no share awards or share options were granted, vested or exercised, cancelled or lapsed under the 2025 Share Scheme. No share options were outstanding and no share awards were unvested under the 2025 Share Scheme as at 1 January 2025 and 31 December 2025, respectively.

Rule 17.07(3) of the Listing Rules was not applicable to the 2025 Share Scheme for the Reporting Period as the Company did not grant any share options or share awards to be satisfied through the issue of new Shares by the Company as of 31 December 2025.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

Saved as disclosed in this annual report, as at 31 December 2025, none of the Directors or their respective associates had engaged in or had any interest in any business which competes or may compete with the business of the Group.

DIRECTORS' INTERESTS IN TRANSACTION, ARRANGEMENT OR CONTRACT OF SIGNIFICANCE

Save as disclosed in this annual report, there was no transaction, arrangement or contract of significance subsisted in which a Director or an entity connected with a Director was materially interested, whether directly or indirectly, during or at the end of the Reporting Period.

CONTINUING CONNECTED TRANSACTIONS

The following transactions of the Group constituted continuing connected transactions for the Group for the year ended 31 December 2025. All capitalized terms used in this section shall have the same meaning defined in the announcement of the Company dated 22 March 2024 in relation to the continuing connected transactions for establishing 2024 Contractual Arrangements, unless otherwise specified.

Non-Exempt Continuing Connected Transactions

The Group is primarily engaged in the development and operation of localised mobile card and board games business, as the business continues to grow, the Group is paying an increasing attention to the growth and investment value of non-card and board game business and has successfully launched a variety of casual games targeting both domestic and overseas players. Hence, we are considered to be engaged in the provision of value-added telecommunications services (which includes information services provided via mobile network) and Internet cultural business (which includes the production or operation of mobile games operated through information networks).

2024 Contractual Arrangements

In consideration of the fact that the Group is mainly engaged in the development and operation of localised mobile card and board games business, as the business continues to grow, the Group is paying an increasing attention to the growth and investment value of non-card and board game business. To promote a better development of the Group's business, and to realise a clearer operation, more efficient management and better resource allocation of the Company, the Company intends to further optimise the organization of its business segments by separating the card and board game business from the non-card and board game business, to strengthen the daily management and operation of different business segments and facilitate a better game service to the Company's game players. Foreign investment in value-added telecommunications services to be carried out by Jiaxiang Weilai is strictly restricted by the PRC laws and regulations, and foreign investment in Internet cultural businesses (except for music) to be carried out by Jiaxiang Weilai is prohibited by the PRC laws and regulations. The Company believes that the above non-card and board game business to be carried out by Jiaxiang Weilai is an integral part of the business operation of the Group. In consideration of the reasons as mentioned above, the Group entered into the 2024 Contractual Arrangements on 22 March 2024, with a view to establishing new contractual structure for companies within the non-card and board game business segment that are engaged in businesses where foreign ownership is prohibited.

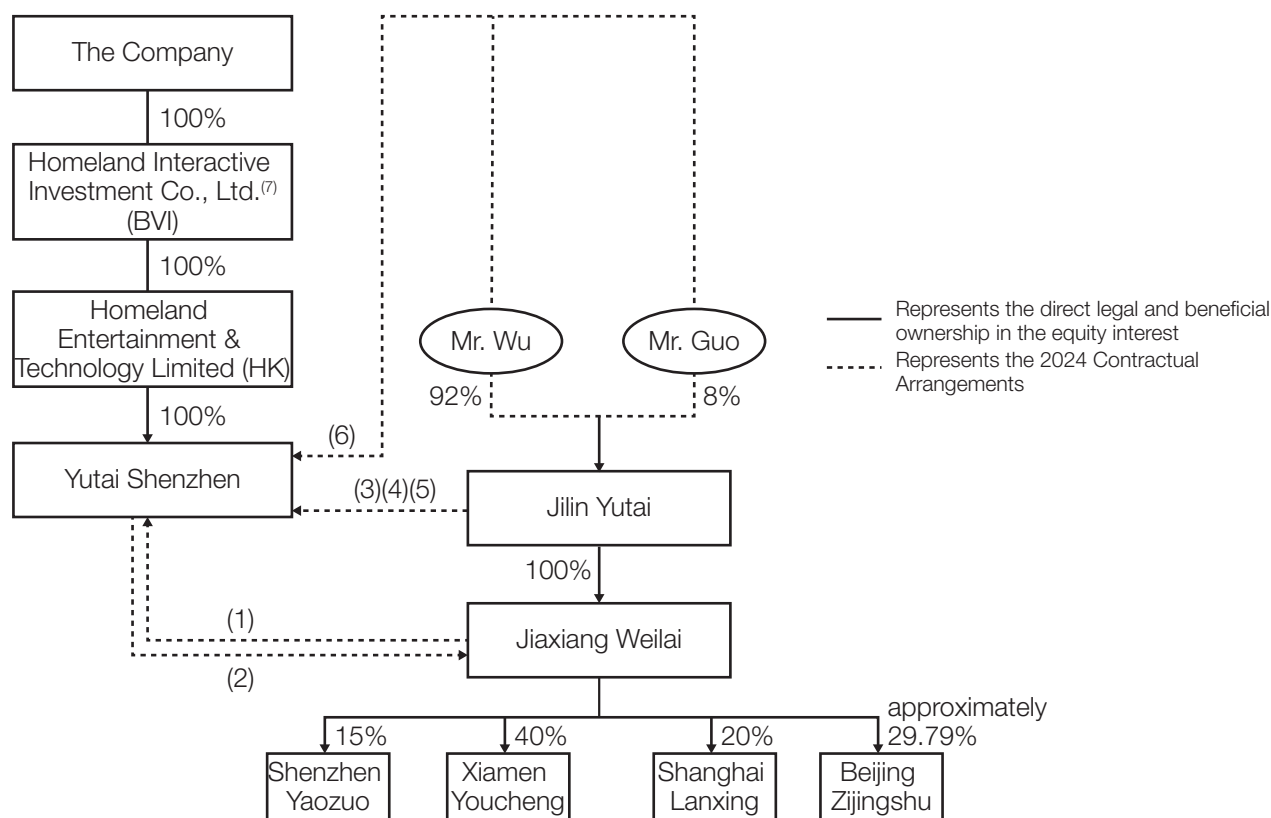
Specifically, the Group has, through its wholly-owned subsidiary, Yutai (Shenzhen) Network Technology Co., Ltd. (豫泰(深圳)網絡科技有限公司) ("**Yutai Shenzhen**"), entered into a series of 2024 Contractual Arrangements with Jiaxiang Weilai, Jilin Yutai Network Technology Company Limited (吉林省豫泰網絡科技有限公司) ("**Jilin Yutai**"), Mr. WU Chengze ("**Mr. Wu**") and Mr. GUO Shunshun ("**Mr. Guo**") to exercise effective control over the operations and enjoy substantially all of the economic benefits of Jiaxiang Weilai and its investee/controlled subsidiaries ("**Jiaxiang Weilai Entities**"). The agreements underlying such 2024 Contractual Arrangements with Jiaxiang Weilai and Jilin Yutai include: (i) Exclusive Business Cooperation Agreement, (ii) Exclusive Call Option Agreement and (iii) Equity Pledge Agreement. Moreover, Jilin Yutai had also executed an irrevocable Power of Attorney appointing Yutai Shenzhen as its proxy to exercise on its behalf of shareholder rights in Jiaxiang Weilai. The total revenue of Jiaxiang Weilai Entities during the year ended 31 December 2025 was approximately RMB13 million, and the total assets of Jiaxiang Weilai Entities as at 31 December 2025 was approximately RMB225 million.

The 2024 Contractual Arrangements are not related to any regulations other than the restriction on foreign investment.

We will closely monitor any future development relating to the decision and will take all necessary actions to comply with applicable laws, regulations and specific requirements or guidance, including reorganizing our corporate structure, if required, in the future. We will unwind and terminate the 2024 Contractual Arrangements wholly or partly once our businesses are no longer prohibited or restricted from foreign investment and to the extent permissible under PRC Laws.

Mr. Wu is the chairman of the Board and an executive Director and hence he is a connected person of the Company according to Rule 14A.07 of the Listing Rules. Furthermore, Mr. Wu beneficially holds 92% equity interests in Jilin Yutai, while Jilin Yutai holds 100% equity interests in Jiexiang Weilai. As such, pursuant to Rule 14A.07(4) of the Listing Rules, each of Jilin Yutai and Jiexiang Weilai is an associate of Mr. Wu and connected person of the Company. Therefore, under the Listing Rules, the transactions contemplated under the 2024 Contractual Arrangements constitute continuing connected transactions of the Company.

The following simplified framework illustrates the flow of economic benefits from Jiexiang Weilai to the Group specified under the 2024 Contractual Arrangements:



Notes:

1. Service fee payments. Please refer to the section headed "Summary of the 2024 Contractual Arrangements — (a) Exclusive Business Cooperation Agreement" below.
2. Provision of technology and consultation and auxiliary services. Please refer to the section headed "Summary of the 2024 Contractual Arrangements — (a) Exclusive Business Cooperation Agreement" below.

3. Options to acquire the equity interest or asset of Jiaxiang Weilai. Please refer to the section headed “Summary of the 2024 Contractual Arrangements — (b) Exclusive Call Option Agreement” below.
4. Equity pledge. Please refer to the section headed “Summary of the 2024 Contractual Arrangements — (c) Equity Pledge Agreement” below.
5. Power of Attorney. Please refer to the section headed “Summary of the 2024 Contractual Arrangements — (d) Power of Attorney” below.
6. Undertaking of acting as the legal owners of Jilin Yutai. Please refer to the section headed “Summary of the 2024 Contractual Arrangements — (e) Letter of Undertaking” below.
7. Homeland Investment Co., Ltd was renamed to Homeland Interactive Investment Co., Ltd. on 14 March 2024 upon performing all necessary procedures. Its Chinese name remains unchanged.

Summary of the 2024 Contractual Arrangements

A brief description of the major terms of the structured contracts under the 2024 Contractual Arrangements are as follows:

(a) Exclusive Business Cooperation Agreement

Yutai Shenzhen and Jiaxiang Weilai entered into the Exclusive Business Cooperation Agreement on 22 March 2024, pursuant to which Jiaxiang Weilai agreed to engage Yutai Shenzhen as the exclusive service provider of Jiaxiang Weilai, to provide comprehensive technological support, consultation services and other services to Jiaxiang Weilai, including but not limited to (i) permission to use certain software that legally owned by Yutai Shenzhen, (ii) design, development, maintenance and updating of software and network technology and provision of related technical consultation and technical services, (iii) design, installation, daily management, maintenance and updating of the computer network system, hardware and database, (iv) technical support and training to relevant employees of Jiaxiang Weilai, (v) consultancy, collection and research of technology and market information (excluding market research business that wholly-foreign-owned enterprises are prohibited from conducting under the PRC laws), (vi) corporate management consultation, (vii) marketing and promotion services, (viii) customer order management and customer services, (ix) leasing of equipment or assets, (x) other service areas as permitted under the PRC laws. In addition, Yutai Shenzhen shall have the sole and exclusive ownership, rights and interests of any and all intellectual properties arising from or created during the course of execution of the agreement.

Pursuant to the Exclusive Business Cooperation Agreement and subject to compliance with applicable PRC laws, Jiaxiang Weilai shall pay to Yutai Shenzhen a service fee that equals to 100% of the total consolidated profit of Jiaxiang Weilai of any financial year, and offsetting the accumulated loss (if any) of Jiaxiang Weilai and its subsidiaries in any previous financial years, and deducting such amounts as required for working capital, expenses, tax and other statutory contributions of Jiaxiang Weilai and its subsidiaries in any given year. Yutai Shenzhen is also entitled to adjust the service fee based on the actual situations, as well as the operations and development needs of Jiaxiang Weilai.

(b) Exclusive Call Option Agreement

Yutai Shenzhen, Jilin Yutai and Jiaxiang Weilai entered into the Exclusive Call Option Agreement on 22 March 2024, pursuant to which Jilin Yutai and Jiaxiang Weilai jointly and severally granted to Yutai Shenzhen (exercisable by itself or its designated person(s)) irrevocable options to (i) purchase, to the extent permitted by the PRC laws and regulations, the equity interests in Jiaxiang Weilai held by Jilin Yutai, entirely or partially, at the minimum purchase price permitted under the PRC laws and regulations, and where the PRC laws and regulations require valuation of the equity interest, the parties shall re-negotiate in good faith, and make adjustments based on the valuation to comply with the requirements of the PRC laws and regulations, or (ii) acquire, to the extent permitted by the PRC laws and regulations, all or part of the assets of Jiaxiang Weilai at the minimum purchase price permitted under the PRC laws and regulations, and where the PRC laws and regulations require valuation of the assets, the parties shall re-negotiate in good faith, and make adjustments based on the valuation to comply with the requirements of PRC laws and regulations. Yutai Shenzhen (by itself or any of its designee as specified above) may exercise such options, fully or partially, at any time, subject to applicable PRC laws and regulations. In the event that PRC laws and regulations and industrial policies allow Yutai Shenzhen and/or other foreign-invested or foreign entities designated by Yutai Shenzhen to directly hold part or all the equity interests in Jiaxiang Weilai and engage in the foreign investment restricted or prohibited businesses through Jiaxiang Weilai such as gaming, Yutai Shenzhen shall issue a notice of call option as soon as practicable. In addition, Jilin Yutai and/or Jiaxiang Weilai have agreed to return to Yutai Shenzhen any proceeds it/they will receive in the event that the call option to acquire the equity interests in Jiaxiang Weilai held by Jilin Yutai and/or assets of Jiaxiang Weilai is exercised.

Pursuant to the Exclusive Call Option Agreement, Jilin Yutai and Jiaxiang Weilai have undertaken to perform certain acts or refrain from performing certain other acts, including but not limited to the following matters:

- i. not to supplement, modify or amend its constitutional documents, alter the registered capital or change the registered capital structure of Jiaxiang Weilai without the prior written approval from Yutai Shenzhen; if Jilin Yutai made a capital contribution to Jiaxiang Weilai, Jilin Yutai undertakes that the capital contribution will be subject to the call option;
- ii. prudently and effectively operate and manage the business and corporate matters of Jiaxiang Weilai, and to ensure their existence, in accordance with the good financial and business standards and practice, and to obtain and maintain all necessary governmental approval, licenses and permits required for the business operation of Jiaxiang Weilai;
- iii. not to sell, transfer, create encumbrances or otherwise dispose of any assets (save for assets with value less than RMB500,000 as required to be disposed in the ordinary and normal course of business), business, legal or beneficial interest of the income of Jiaxiang Weilai or allow any security interest to be created on its assets of Jiaxiang Weilai without the prior written approval from Yutai Shenzhen;
- iv. not to incur, inherit, guarantee or allow any indebtedness without the prior written approval from Yutai Shenzhen (save for the accounts payable incurred in the ordinary course of business but not incurred from borrowings);

- v. to operate the business of Jiexiang Weilai within the normal business scope in order to maintain its asset value (including but not limited to the asset value of the equity interests of its controlled/investee subsidiaries held by Jiexiang Weilai), and refrain from any acts or omissions which may adversely affect its business or assets value;
- vi. Jiexiang Weilai not to enter into any material contracts with an amount of over RMB500,000 (other than those entered in the ordinary course of business) without the prior written approval from Yutai Shenzhen;
- vii. Jiexiang Weilai not to provide loan or credit to any other third party without the prior written approval from Yutai Shenzhen;
- viii. to provide all operating and financial information of Jiexiang Weilai to Yutai Shenzhen upon request;
- ix. if requested by Yutai Shenzhen, Jiexiang Weilai shall purchase and maintain the insurance related to its assets and business from an insurance carrier acceptable to Yutai Shenzhen, the amount and coverage of such insurance shall be consistent with the companies engaging in similar business;
- x. Jiexiang Weilai not to engage in any merger or alliance with any other party, or acquisition or investment in any other party without the prior written approval from Yutai Shenzhen;
- xi. immediately inform Yutai Shenzhen of any litigations, arbitrations or administrative proceedings involved or may involve the assets, business or income of Jiexiang Weilai, and take all necessary measures reasonably requested by Yutai Shenzhen;
- xii. execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate charges and submit all necessary or appropriate defences against any charges or claims in order to maintain the ownership of all of its assets by Jiexiang Weilai (including but not limited to the equity interests of its controlled/investee subsidiaries held by Jiexiang Weilai);
- xiii. Jiexiang Weilai not to distribute any profit to any shareholder in any form without the prior written approval from Yutai Shenzhen. If a relevant shareholder receives any such profit distribution with approval from Yutai Shenzhen, such shareholder shall transfer the profit distribution (after fully paid/withheld relevant taxes (if any)) received by him/her/it to Yutai Shenzhen or its designated person(s) upon Yutai Shenzhen's request within ten days upon receipt of such benefits at nil consideration;
- xiv. upon request of Yutai Shenzhen, appoint any candidate designated by Yutai Shenzhen to serve as a Director, an executive Director and/or other senior management of Jiexiang Weilai;
- xv. unless otherwise required by the PRC laws, Jiexiang Weilai shall not be dissolved or liquidated without the prior written consent from Yutai Shenzhen;
- xvi. in the event that Jilin Yutai or Jiexiang Weilai fails to comply with its tax obligations under applicable PRC laws which hinders the exercise of the options under the Exclusive Call Option Agreement, Yutai Shenzhen is entitled to demand Jilin Yutai or Jiexiang Weilai to comply with such tax obligations; and

- xvii. Jiaxiang Weilai and Jilin Yutai shall procure the controlled/investee subsidiaries of Jiaxiang Weilai to comply (where applicable) with the guarantees applicable to Jiaxiang Weilai to the largest extent.

Jilin Yutai has further undertaken to perform certain acts or refrain from performing certain other acts, including but not limited to the following matters:

- i. save for the equity pledge in favor of Yutai Shenzhen created under the Equity Pledge Agreement and the authorization of Yutai Shenzhen to create equity under the Power of Attorney, Jilin Yutai shall not sell, transfer, pledge or otherwise dispose of their legal or beneficial equity interests in Jiaxiang Weilai, or creation of any other guaranteed interests thereon without the prior written approval from Yutai Shenzhen;
- ii. save for the equity pledge in favor of Yutai Shenzhen created under the Equity Pledge Agreement and the authorization of Yutai Shenzhen to create equity under the Power of Attorney, to procure the shareholders and/or the board of directors (or executive directors) of Jiaxiang Weilai, not to sell, transfer, pledge or otherwise dispose of their legal or beneficial equity interests in Jiaxiang Weilai, or creation of any other guaranteed interests thereon without the prior written approval from Yutai Shenzhen;
- iii. Jilin Yutai shall procure the shareholders and/or the board of directors (or executive directors) of Jiaxiang Weilai, not to approve the merger or alliance of Jiaxiang Weilai with any other party, or acquisition or investment in any other party without the prior written approval from Yutai Shenzhen;
- iv. immediately inform Yutai Shenzhen of any initiated or potential litigations, arbitrations or administrative proceedings in relation to the ownership of its equity interest, and take all necessary measures reasonably requested by Yutai Shenzhen;
- v. to procure the shareholders and/or the board of directors (or executive directors) of Jiaxiang Weilai to vote in favor of the transfer of equity interests purchased or assets purchased under the Exclusive Call Option Agreement, and take any other action upon the request of Yutai Shenzhen;
- vi. Jilin Yutai shall execute all necessary or appropriate documents, file all necessary or appropriate charges, take all necessary or appropriate actions and submit all necessary or appropriate defenses against any charges or claims in order to safeguard the ownership of the equity interests held by it;
- vii. upon the request from Yutai Shenzhen, appoint any candidate designated by Yutai Shenzhen to serve as a director, an executive director and other senior management of Jiaxiang Weilai;
- viii. if Jilin Yutai receives any profits, dividends, bonus or liquidation proceeds from Jiaxiang Weilai, Jilin Yutai shall transfer such benefits received by it at nil consideration to Yutai Shenzhen or any of its designated persons subject to compliance with the PRC laws and regulations;
- ix. not to engage in any business which competes, or likely competes, with the business of the Group without the prior written consent from Yutai Shenzhen; and

- x. to strictly comply with the terms of the Exclusive Call Option Agreement and any other agreements jointly or separately entered into among Yutai Shenzhen, Jilin Yutai and Jiaxiang Weilai and earnestly fulfill their respective obligations under such agreements and not to take, or omit to take, any actions which may affect the validity and enforceability of these agreements. In any event where Jilin Yutai retains any rights in the equity interests under the Exclusive Call Option Agreement, the Equity Pledge Agreement executed by the parties to the Exclusive Call Option Agreement, or the Power of Attorney in favor of Yutai Shenzhen, Jilin Yutai shall not exercise such rights without the prior written approval from Yutai Shenzhen.

The Exclusive Call Option Agreement shall expire when all the equity interests in or assets of Jiaxiang Weilai have been transferred to Yutai Shenzhen or its designee as specified above, unless and until Yutai Shenzhen terminates the Exclusive Call Option Agreement.

(c) Equity Pledge Agreement

Yutai Shenzhen, Jilin Yutai and Jiaxiang Weilai entered into the Equity Pledge Agreement on 22 March 2024, pursuant to which Jilin Yutai agreed to pledge all of its equity interests in Jiaxiang Weilai to Yutai Shenzhen to secure performance of all its obligations and the obligations of Jiaxiang Weilai under the agreements underlying the 2024 Contractual Arrangements. During the term of the pledge, if Jilin Yutai and/or Jiaxiang Weilai failed to fulfil the contract obligations or pay the guaranteed indebtedness under the 2024 Contractual Arrangements, Yutai Shenzhen has the right, but not the obligation, to exercise the right to pledge as stipulated under the Equity Pledge Agreement. In addition, pursuant to the Equity Pledge Agreement, Jilin Yutai and Jiaxiang Weilai have undertaken to Yutai Shenzhen, among other things, apart from the fulfilment of the Exclusive Business Cooperation Agreement, the Exclusive Call Option Agreement, the Power of Attorney, Jilin Yutai shall not transfer any or part of the pledged equity interests, create or allow to create any guarantee or other debt liabilities over the pledged equity interests without the prior written consent of Yutai Shenzhen. Under the Equity Pledge Agreement, Jilin Yutai also guarantees and warrants to Yutai Shenzhen that it has duly arranged and signed all necessary documents to ensure that any events of dissolution or liquidation would not affect the fulfilment of the Equity Pledge Agreement.

Moreover, if Jiaxiang Weilai declares any dividend or bonus during the term of the pledge, Yutai Shenzhen is entitled to receive all such dividends or bonus arising from the pledged equity interests, if any. It is also agreed that in the event that Jilin Yutai subscribed for or acquired additional equity interest in Jiaxiang Weilai with the prior written consent of Yutai Shenzhen, then the additional equity interest acquired or subscribed for by Jilin Yutai shall also be pledged in favor of Yutai Shenzhen pursuant to the Equity Pledge Agreement.

Upon full and complete fulfillment of all contractual obligations and settlement of all guaranteed indebtedness by Jilin Yutai and Jiaxiang Weilai, Yutai Shenzhen shall, at the request of Jilin Yutai, release the pledge of the pledged equity interests under the Equity Pledge Agreement at the earliest reasonably practicable time. In the event that PRC laws and regulations and industrial policies allow Yutai Shenzhen and/or other foreign-invested or foreign entities designated by Yutai Shenzhen to directly hold all the equity interests in Jiaxiang Weilai and engage in foreign investment restricted or prohibited businesses through Jiaxiang Weilai such as gaming, the parties shall immediately exercise the relevant rights and perform the relevant obligations in accordance with the terms of the Exclusive Call Option Agreement and shall release Equity Pledge Agreement after the exercise and fulfillment of such rights and obligations have been completed.

(d) Power of Attorney

On 22 March 2024, Jilin Yutai executed an irrevocable Power of Attorney with Yutai Shenzhen and Jiayang Weilai to authorize Yutai Shenzhen (as well as its successor(s) or liquidator(s) who replace Yutai Shenzhen, if involved) or a designated person at its own discretion under applicable laws and regulations and regulatory requirements (including but not limited to Yutai Shenzhen or directors of the direct or indirect shareholder, however, this does not include Jinlin Yutai and its shareholders, shareholders of Jiayang Weilai and any of their respective affiliates) (the “**Trustee**”), as the sole and exclusive agent of Jilin Yutai, to exercise, on behalf of Jilin Yutai, all rights in relation to the equity interests of Jiayang Weilai under relevant laws and regulations and articles of association. Such rights include but not limited to: (i) suggest to hold, convene and attend shareholders’ meetings of Jiayang Weilai, (ii) to receive any notice in relation to the convening of shareholders’ meetings and its proceedings; (iii) in the name of and on behalf of Jilin Yutai, execute and deliver any written resolution and minutes of the meeting as a shareholder; (iv) to vote in person or by proxy any issues discussed on the shareholders’ meetings (including but not limited to the selling, transfer, pledge or disposal of all or part of assets of Jiayang Weilai (including but not limited to the equity interests of the controlled/investee subsidiaries of Jiayang Weilai)); (v) to sell, transfer, pledge or otherwise dispose of all or part of Jilin Yutai’s equity interest in Jiayang Weilai; (vi) to nominate, elect, appoint or remove the legal representative, directors, general manager, chief financial officer, supervisors and other senior officers of Jiayang Weilai; (vii) to oversee the operating performance of Jiayang Weilai, approve the annual budget or declared dividends of Jiayang Weilai, and inspect the financial information of Jiayang Weilai at any time; (viii) to approve the submission of any registration documents of Jiayang Weilai to competent government authorities; (ix) to exercise the voting rights on the liquidation of Jiayang Weilai on behalf of the shareholders; (x) in the event of dissolution or liquidation of Jiayang Weilai, Yutai Shenzhen and/or its Trustee shall have the rights to exercise all shareholders rights of Jiayang Weilai on behalf of Jilin Yutai, Jilin Yutai agrees (as a shareholder of Jiayang Weilai) to transfer, at nil consideration, all assets (including but not limited to the equity interests of its controlled/investee subsidiaries held by Jiayang Weilai) received as a result of the dissolution or liquidation of Jiayang Weilai to Yutai Shenzhen or its designated persons; pursuant to then effective PRC laws, if the aforementioned transfer shall be onerous, Jilin Yutai agrees to return the consideration in the amount of such transfer to Yutai Shenzhen and/or its designated persons. In the event of dissolution or liquidation of the controlled/investee subsidiaries of Jiayang Weilai, subject to the premise of complying with the then effective PRC laws and other legal documents, Yutai Shenzhen and/or its trustees have the right to exercise all rights as its shareholders on behalf of Jiayang Weilai; as a shareholder of the controlled/investee subsidiaries, all properties due and acquired by Jiayang Weilai as a result of the dissolution and liquidation of the controlled/investee subsidiaries shall be transferred to Yutai Shenzhen or other persons designated by it at nil consideration; pursuant to then effective PRC laws, if the aforementioned transfer shall be onerous, Jiayang Weilai agrees to return the consideration in the amount of such transfer to Yutai Shenzhen and/or its designated persons; (xi) to file a lawsuit or other legal actions against such directors or management of Jiayang Weilai if their action damages the interests of Jiayang Weilai or its shareholders; (xii) to approve the amendments to the articles of association of Jiayang Weilai; and (xiii) any other rights conferred to the shareholders by the articles of association of Jiayang Weilai or relevant laws and regulations. The Trustee is also authorized to, on behalf of Jilin Yutai, execute all documents agreed to be executed by Jilin Yutai under the Exclusive Call Option Agreement and the Equity Pledge Agreement.

Under the Power of Attorney, Jilin Yutai irrevocably confirmed that the Power of Attorney shall remain in full force and effect during the term which Jilin Yutai remains as a shareholder of Jiaxiang Weilai. Jilin Yutai further confirmed and undertook that in the event of liquidation, cancellation and any circumstances which would affect it to exercise its shareholder's rights in Jiaxiang Weilai, its successors or any other person who has assertion or interests over his/her equity interests in Jiaxiang Weilai, shall be deemed as signing parties of the Power of Attorney and inherit all rights and obligations of Jilin Yutai under the Power of Attorney. The Trustee shall have the right to transfer the rights under the Power of Attorney to any other individuals or entities without prior notice to or consent from Jilin Yutai.

(e) Letter of Undertaking

Each of the ultimate legal owners of Jilin Yutai, namely Mr. Wu (who holds 92% equity interests in Jilin Yutai) and Mr. Guo (who holds 8% equity interests in Jilin Yutai), has provided a written undertaking to Yutai Shenzhen to irrevocably undertake that he shall:

- i. not to sell, transfer, pledge or otherwise dispose of any equity interests in Jilin Yutai held by him or other relevant rights, or allow to create any encumbrances without the prior written consent from Yutai Shenzhen;
- ii. to procure the shareholders and/or the board of directors (or executive directors) (as appropriate) of Jilin Yutai, not to approve the selling, transfer, pledge or otherwise disposal of any equity interests in Jilin Yutai held by him or other relevant rights, or allow to create any encumbrances without the prior written consent from Yutai Shenzhen;
- iii. to procure the shareholders and/or the board of directors (or executive directors) of Jilin Yutai, not to approve the merger or alliance of Jilin Yutai with any other party, or acquisition or investment in any other party without the prior written approval from Yutai Shenzhen;
- iv. immediately inform Yutai Shenzhen of any initiated or potential litigations, arbitrations or administrative proceedings in relation to any equity interests in Jilin Yutai held by him, and take all necessary measures reasonably requested by Yutai Shenzhen;
- v. to procure the shareholders and/or the board of directors (or executive directors) (as appropriate) of Jilin Yutai, to vote in favor of all actions necessary to be taken by Jilin Yutai under the Exclusive Call Option Agreement, the Equity Pledge Agreement and the Power of Attorney;
- vi. execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate charges and submit all necessary or appropriate defences, in order to maintain his equity interest in Jilin Yutai is registered under his name in the competent company registry;
- vii. upon request of Yutai Shenzhen, appoint any candidate designated by Yutai Shenzhen to serve as a director, an executive director and other senior management of Jilin Yutai;
- viii. if he receives any profits, dividends, bonus or liquidation proceeds from Jilin Yutai, he shall transfer the same to Yutai Shenzhen or any of its designated persons at nil consideration upon the request of Yutai Shenzhen, provided that it is in compliance to the PRC laws;

- ix. not to engage in any business which competes with the businesses of Yutai Shenzhen, Jiaxiang Weilai, Jilin Yutai and any of their respective associate companies without the prior written approval from Yutai Shenzhen; and
- x. strictly abide with all the aforementioned undertakings and ensure Jilin Yutai to fulfill all its obligations (as a signing party) under the Exclusive Call Option Agreement, the Equity Pledge Agreement and the Power of Attorney, and refrain from any acts or omissions which may affect the effectiveness and enforceability of the Exclusive Call Option Agreement, the Equity Pledge Agreement and the Power of Attorney.

Each of Mr. Wu and Mr. Guo also confirms that, in the event of death, incapacity or any other circumstances that may affect his ability to exercise his shareholder's rights in Jilin Yutai, his successor, guardian, creditor, spouse or any other person who has assertion or interests over his equity interests in Jilin Yutai, shall be deemed as signing parties of the abovementioned written undertaking and inherit all obligations and rights thereunder.

Risks Relating to the 2024 Contractual Arrangements

There are the certain risks that are associated with the 2024 Contractual Arrangements, including:

- If the PRC government finds that the agreements that establish the structure for operating the Group's mobile game businesses in the PRC do not comply with applicable PRC laws and regulations, or if these regulations or their interpretations change in the future, the Group could be subject to severe consequences, including the nullification of the 2024 Contractual Arrangements and the relinquishment of our interest in Jiaxiang Weilai and its investee/controlled subsidiaries.
- Our 2024 Contractual Arrangements may not be as effective in providing operational control as direct ownership. Jiaxiang Weilai or its shareholders may fail to perform their obligations under the 2024 Contractual Arrangements.
- The 2024 Contractual Arrangements between Yutai Shenzhen and Jiaxiang Weilai may subject our Group to increased income tax due to the different income tax rates applicable to Yutai Shenzhen and Jiaxiang Weilai and adversely affect our results of operations.
- If we exercise the option to acquire equity ownership and assets of Jiaxiang Weilai, the ownership or asset transfer may subject us to substantial costs.
- The shareholders of Jiaxiang Weilai may have conflict of interests with us, which may materially and adversely affect our business.

Risk mitigation action adopted by the Company

The Company's management work closely with external law advisor and consultant to monitor the environment and development of the PRC laws and regulations, in order to mitigate the risks relating to the 2024 Contractual Arrangements. The Group has adopted measures to ensure the enforcement of the 2024 Contractual Arrangements, in order to effectively operate the Group's business and comply with the 2024 Contractual Arrangements, among others:

- significant matters arising from the implementation of the 2024 Contractual Arrangements are reviewed by the Board on a regular basis (at least quarterly);
- matters relating to compliance and regulatory investigations by government agencies, if any, will be discussed at these regularly scheduled meetings;
- the Group's relevant business units and operating segments will report to the Company's senior management regularly (at least monthly) in respect of the compliance with and fulfilment of the 2024 Contractual Arrangements and other related matters; and
- independent non-executive directors will review the compliance with the 2024 Contractual Arrangements on an annual basis and their confirmation will be disclosed in the Company's annual report.

Waiver from the Stock Exchange

At the time of Listing, the Company sought, and the Stock Exchange granted, the IPO Waiver in connection with the continuing connected transactions of the Group in the form of the 2018 Contractual Arrangements. The IPO Waiver is subject to certain conditions including, among others that, the 2018 Contractual Arrangements provide an acceptable framework for the relationship between the Company and its directly controlled subsidiaries and Jiaxiang Interactive and its subsidiaries. Such framework may be renewed and/or reproduced upon expiry of the 2018 Contractual Arrangements on substantially the same terms and conditions as the 2018 Contractual Arrangements, or in respect of any existing or new wholly foreign owned enterprises or operating companies (including branches) which the Group may wish to establish to engage in the same line of business as the Group on balance of commercial interests without the need to obtain Shareholders' approval.

As the 2024 Contractual Arrangements are reproduced from the 2018 Contractual Arrangements in accordance with the conditions of the IPO Waiver, the Company has sought confirmation from the Stock Exchange, and the Stock Exchange has confirmed that the transactions contemplated under the 2024 Contractual Arrangements would fall within the scope of the IPO Waiver and are exempted from strict compliance with (i) the requirement of setting annual caps for the fees payable by/to the Group to/from Jiaxiang Weilai under the 2024 Contractual Arrangements under Rule 14A.53 of the Listing Rules, and (ii) the requirement of setting a fixed term for the 2024 Contractual Arrangements under Rule 14A.52 of the Listing Rules, subject to compliance with the same conditions of the IPO Waiver.

Directors' Opinion Relating to the 2024 Contractual Arrangements

The Directors (including the independent non-executive Directors) are of the view that the 2024 Contractual Arrangements and the transactions contemplated thereunder are fundamental to the legal structure and business operations in respect of the Group's future business and expansion, and would allow and ensure sound and effective operation of the Company and our business intended to be carried out under the 2024 Contractual Arrangements in compliance with applicable PRC laws and regulations, which has been adopted by a number of other companies to accomplish the same purpose. In addition, as the 2024 Contractual Arrangements were freely negotiated and entered into among parties thereto, it is fair and reasonable for Yutai Shenzhen to be entitled to all economic benefits generated by the business operated by Jiaxiang Weilai through the 2024 Contractual Arrangements as a whole. The Directors also believe that, as the financial results of Jiaxiang Weilai will be consolidated into and accounted for as a subsidiary of the Group, and the flow of economic benefits of their business to the Group pursuant to the 2024 Contractual Arrangements, would also be in the best interest of the Company. Accordingly, the Directors (including the independent non-executive Directors) consider that each of the terms of the 2024 Contractual Arrangements, which have been and shall be entered into in the ordinary and usual course of business of the Group and on normal commercial terms or better, are fair and reasonable and in the best interest of the Company and the Shareholders as a whole. Mr. Wu, an executive Director, has material interests in the transactions carried out under the 2024 Contractual Arrangements. He shall and has abstained from voting on the relevant board resolution approving the entering into of the 2024 Contractual Arrangements. Save as disclosed above, no Director shall abstain from voting on the relevant board resolution approving the entering into of the 2024 Contractual Arrangements.

In addition, pursuant to our PRC legal advisor's opinion, the 2024 Contractual Arrangements documents are validly executed and are legal and valid after meeting the conditions for effect. The 2024 Contractual Arrangements are binding on the executing parties and, except for the aforesaid dispute resolution and the terms of the liquidation committee, may be enforced in accordance with their terms under the PRC laws. The Board considers that the 2024 Contractual Arrangements can be validly enforced under relevant PRC laws and regulations except for the aforesaid terms of dispute resolution and liquidation committee.

2018 Contractual Arrangements

As a foreign investor, the Company is prohibited from holding equity interest in Jiaxiang Interactive and its operating subsidiaries, which are primarily engaged in the development and operation of online card and board games business (the "**Principal Business**") and are considered to be engaged in the provision of value-added telecommunications services and Internet cultural businesses. Each of Jiaxiang Interactive and its subsidiaries, namely Jilin Xinze and Jilin Xinze Network Technology Company Limited ("**Jilin Yuke**"), holds the relevant licenses, including the ICP License and the Internet cultural business license, required for carrying out the above services and operating the Principal Business. As a result, the Group, through its wholly-owned subsidiary, Xiamen Kexin Network Technology Company Limited (formerly known as Beijing Kexin Network Technology Company Limited) ("**Homeland PRC**"), has entered into the 2018 Contractual Arrangements such that we can conduct our Principal Business indirectly in the PRC through Jiaxiang Interactive and its subsidiaries while complying with applicable PRC law and regulations. The 2018 Contractual Arrangements are designed to provide the Group with effective control over the financial and operational policies of Jiaxiang Interactive and, to the extent permitted by PRC law and regulations, the right to acquire the equity interests in and/or the assets of Jiaxiang Interactive through Homeland PRC.

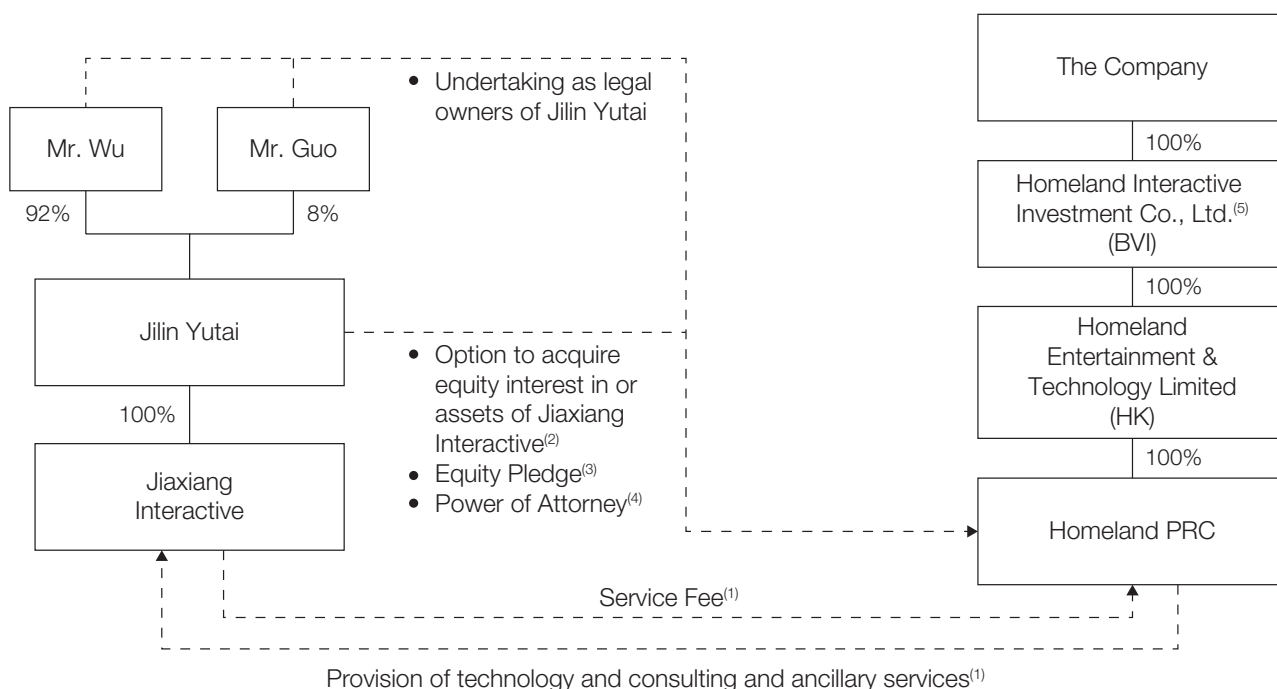
The 2018 Contractual Arrangements are not related to any regulations other than the restriction on foreign investment.

We will closely monitor any future development relating to the decision and will take all necessary actions to comply with applicable laws, regulations and specific requirements or guidance, including reorganizing our corporate structure, if required, in the future. We will unwind and terminate the 2018 Contractual Arrangements wholly or partly once our businesses are no longer prohibited or restricted from foreign investment and to the extent permissible under PRC Laws.

The Group has, through Homeland PRC, entered into a series of 2018 Contractual Arrangements with Jiaxiang Interactive, Jilin Yutai, Mr. Wu and Mr. Guo to exercise effective control over the operations and enjoy substantially all of the economic benefits of Jiaxiang Interactive and its subsidiaries (the “**PRC Operating Entities**”). The agreements underlying such 2018 Contractual Arrangements with Jiaxiang Interactive and Jilin Yutai include: (i) Exclusive Business Cooperation Agreement, (ii) Exclusive Call Option Agreement and (iii) Equity Pledge Agreement. Moreover, Jilin Yutai had also executed an irrevocable Power of Attorney appointing Homeland PRC as its proxy to exercise on its behalf of shareholder rights in Jiaxiang Interactive. The total revenue of the PRC Operating Entities during the year ended 31 December 2025 was approximately RMB1,277 million, and the total assets of the PRC Operating Entities as at 31 December 2025 was approximately RMB1,931 million.

Each of Mr. Wu, Mr. JIANG Mingkuan and Mr. SU Bo (together, the “**Founders**”) is a controlling shareholder of the Company and Mr. Wu and Mr. SU Bo are executive Directors of the Company and all of them are therefore connected persons of the Company under Rule 14A.07(1) of the Listing Rules. In addition, the Founders together and as parties acting in concert beneficially held 92% of the interest in Jiaxiang Interactive. Each of Jiaxiang Interactive and its subsidiaries is therefore an associate of each of the Founders and a connected person of the Company under Rule 14A.07(4) of the Listing Rules. Accordingly, the transactions contemplated under the 2018 Contractual Arrangements constitute continuing connected transactions of our Company under the Listing Rules.

The following simplified diagram illustrates the flow of economic benefits from Jiaxiang Interactive to our Group stipulated under the 2018 Contractual Arrangements:



Notes:

- (1) Please refer to the section headed "Summary of the 2018 Contractual Arrangements — (a) Exclusive Business Cooperation Agreement" below.
- (2) Please refer to the section headed "Summary of the 2018 Contractual Arrangements — (b) Exclusive Call Option Agreement" below.
- (3) Please refer to the section headed "Summary of the 2018 Contractual Arrangements — (c) Equity Pledge Agreement" below.
- (4) Please refer to the section headed "Summary of the 2018 Contractual Arrangements — (d) Power of Attorney" below.
- (5) Homeland Investment Co., Ltd was renamed to Homeland Interactive Investment Co., Ltd. on 14 March 2024 upon performing all necessary procedures. Its Chinese name remains unchanged.

Summary of the 2018 Contractual Arrangements

A Brief description of the major terms of the structured contracts under the 2018 Contractual Arrangements are as follows:

(a) Exclusive Business Cooperation Agreement

Homeland PRC and Jiaxiang Interactive entered into an Exclusive Business Cooperation Agreement on 24 September 2018, pursuant to which Jiaxiang Interactive agreed to engage Homeland PRC as its exclusive consultant and service provider. The advice and services which Homeland PRC shall provide to Jiaxiang Interactive and its subsidiaries include, but are not limited to, (i) permission to use certain software, (ii) design, development, maintenance and updating of software and network technology and provision of related technical consultation and technical services, (iii) design, installation, daily management, maintenance and updating of network system, hardware and database design, (iv) technical support and training to employees, (v) consultancy, collection and research of technology and market information (excluding market research business that wholly-foreign-owned enterprises are prohibited from conducting under PRC law), (vi) business management consultation, (vii) marketing and promotion services, (viii) customer management and customer services, (ix) leasing of equipment or properties, (x) other service areas. In addition, Homeland PRC shall have the exclusive and proprietary rights to all intellectual properties arising from and developed during and as a result of the performance of the consulting and advisory services. Homeland PRC shall have the exclusive and proprietary rights to use all such intellectual properties which Homeland PRC, Jiaxiang Interactive or any of its subsidiaries (as the case may be) has developed during the term of the Exclusive Business Cooperation Agreement.

Pursuant to the Exclusive Business Cooperation Agreement and subject to compliance with applicable PRC laws, Jiaxiang Interactive shall pay to Homeland PRC a service fee that equals to 100% of the total consolidated profit of Jiaxiang Interactive and after offsetting the prior-year loss (if any), and deducting such amounts as required for working capital, operating costs, expenses, tax and other statutory contributions of Jiaxiang Interactive and its subsidiaries in any given year. Homeland PRC is also entitled to adjust the service fee payable by Jiaxiang Interactive based on the actual business conditions, operations and development needs of Jiaxiang Interactive.

It is also stipulated in the Exclusive Business Cooperation Agreement that Homeland PRC shall enjoy all economic benefits of, and bear all risks arising from, the conduct of business by Jiaxiang Interactive and its subsidiaries. In the event that Jiaxiang Interactive incurs any operating loss or experiences serious difficulties in its operations, Homeland PRC shall provide financial support to Jiaxiang Interactive, to the extent permitted under PRC laws, to ensure that Jiaxiang Interactive could meet its daily operating cash flow requirements and/or for the purpose of offsetting any operating loss incurred. Homeland PRC shall have the right to request Jiaxiang Interactive to cease its operations, and Jiaxiang Interactive shall unconditionally accept the requests of Homeland PRC. On the other hand, pursuant to the Exclusive Business Cooperation Agreement, without the prior written consent from Homeland PRC, Jiaxiang Interactive shall not accept the same or similar consulting and services provided by any other third parties during the term of the Exclusive Business Cooperation Agreement. Homeland PRC may appoint other parties, who may enter into certain agreements with the PRC Operating Entities, to provide the PRC Operating Entities with the services under the Exclusive Business Cooperation Agreement.

Jiaxiang Interactive shall procure each of its subsidiaries to strictly comply with the terms of the Exclusive Business Cooperation Agreement as if it were a party to such agreements.

The Exclusive Business Cooperation Agreement is effective from the date of agreement. The Exclusive Business Cooperation Agreement may be terminated by Homeland PRC by giving Jiaxiang Interactive prior written notice of termination or shall be terminated upon the transfer of the entire equity interests in and/or the transfer of all assets of Jiaxiang Interactive to Homeland PRC or its designated person(s) pursuant to the applicable PRC laws and regulations. Jiaxiang Interactive is not contractually entitled to terminate the Exclusive Business Cooperation Agreement with Homeland PRC.

The Directors consider that the above arrangement will ensure the economic benefits generated from the operations of Jiaxiang Interactive to flow to Homeland PRC and hence, the Group as a whole. As of 31 December 2025, Homeland PRC has deployed appropriate facilities and personnel to oversee the operation and management of Jiaxiang Interactive, drive the key business decision-making processes and provide overall business advice and consulting services as required to be provided to Jiaxiang Interactive and its subsidiaries pursuant to the Exclusive Business Cooperation Agreement, whilst Jiaxiang Interactive and its subsidiaries are mainly responsible for the operations of the integrated mobile game platform and to hold all operating assets for the purpose of operating the Principal Business to ensure compliance with relevant PRC laws and regulations with respect to the restriction on foreign investment in entity operating integrated mobile game platform and the conditions of the relevant ICP and operating licenses granted to Jiaxiang Interactive and its subsidiaries. The Company believes that such allocation of resources would allow a proper discharge of the respective responsibilities of Homeland PRC and Jiaxiang Interactive under the 2018 Contractual Arrangements and also ensure sound and effective operation of the Group in compliance with the 2018 Contractual Arrangements and applicable laws and regulations.

(b) Exclusive Call Option Agreement

Homeland PRC, Jilin Yutai and Jiaxiang Interactive entered into an Exclusive Call Option Agreement on 24 September 2018, pursuant to which Jilin Yutai and Jiaxiang Interactive jointly and severally granted to Homeland PRC (exercisable by itself or its designated person(s)) irrevocable options to (i) purchase, to the extent permitted by PRC laws and regulations, the equity interests in Jiaxiang Interactive, entirely or partially, at the minimum purchase price permitted under PRC laws and regulations, and where PRC laws and regulations require valuation of the equity interest, the parties shall re-negotiate in good faith, and make adjustments based on the valuation to comply with the requirements of PRC laws and regulations, or (ii) acquire, to the extent permitted by PRC laws and regulations, all or part of the assets of Jiaxiang Interactive at the minimum purchase price permitted under PRC laws and regulations, and where PRC laws and regulations require valuation of the assets, the parties shall re-negotiate in good faith, and make adjustments based on the valuation to comply with the requirements of PRC laws and regulations. Homeland PRC (by itself or any of its designee as specified above) may exercise such options, fully or partially, at any time, subject to applicable PRC laws and regulations. It was also agreed that Homeland PRC shall have the right to forthwith exercise the option granted under the Exclusive Call Option Agreement when relevant PRC laws and regulations permit the equity interests of Jiaxiang Interactive to be directly held by Homeland PRC while Jiaxiang Interactive continues to legally operate the Principal Business. In addition, Jilin Yutai and/or Jiaxiang Interactive have agreed to return any proceeds it/they will receive in the event that the call option to acquire the equity interests in and/or assets of Jiaxiang Interactive is exercised to Homeland PRC.

Pursuant to the Exclusive Call Option Agreement, Jiaxiang Interactive has undertaken to perform certain acts or refrain from performing certain other acts, including but not limited to the following matters:

- (i) not to supplement, modify or amend its constitutional documents, alter the registered capital or change the registered capital structure of Jiaxiang Interactive without the prior written approval from Homeland PRC;
- (ii) prudently and effectively operate and manage the business and corporate matters of Jiaxiang Interactive, and to ensure their existence, in accordance with the good business standards and practice, and maintain all necessary licenses and permits;
- (iii) not to sell, transfer, create encumbrances or otherwise dispose of any assets, business, legal or beneficial interest of the income of Jiaxiang Interactive (save for assets with value less than RMB500,000 and as required in the ordinary course of business) or allow any security interest to be created on its assets of Jiaxiang Interactive without the prior written approval from Homeland PRC;
- (iv) not to incur, take up, guarantee or allow any indebtedness without the prior written approval from Homeland PRC (save for those in the ordinary course of business and having been disclosed to and consented by Homeland PRC in writing);
- (v) to operate the business of Jiaxiang Interactive within the normal business scope in order to maintain its asset value, and refrain from any acts or omission which may adversely affect its business or assets value;

- (vi) not to enter into any material contracts with an amount of over RMB500,000 (other than those entered in the ordinary course of business) without the prior written approval from Homeland PRC;
- (vii) not to lend or provide any financing to any other third party without the prior written approval from Homeland PRC;
- (viii) to provide all operating and financial information of Jiaxiang Interactive to Homeland PRC upon request;
- (ix) where possible, Jiaxiang Interactive shall purchase and maintain such insurance with insurers acceptable by Homeland PRC, with insurance coverage in line with insurance generally maintained by companies within the same region and engaging in similar business and owning similar properties or assets as Jiaxiang Interactive;
- (x) not to engage in any mergers or acquisitions or make investment in any entities without the prior written approval from Homeland PRC;
- (xi) immediately inform Homeland PRC of any disputes, litigations, arbitrations or administrative proceedings related to the assets, business or income of Jiaxiang Interactive;
- (xii) execute all necessary or appropriate documents, take all necessary or appropriate actions and submit all necessary or appropriate defenses against any charges or claims in order to maintain the ownership of all of its assets by Jiaxiang Interactive;
- (xiii) not to distribute any dividend, distributable profits and/or any assets to any shareholder without the prior written approval from Homeland PRC. If the relevant shareholder receives any such dividends, distributable profits and/or other assets with approval from Homeland PRC, such shareholder shall transfer such benefits received by him/her/it to Homeland PRC in ten business days upon receipt of the same at nil consideration;
- (xiv) upon request of Homeland PRC, appoint any candidate designated by Homeland PRC to serve as a director, an executive director and/or other senior management of Jiaxiang Interactive;
- (xv) unless otherwise required by PRC law, Jiaxiang Interactive shall not be dissolved or liquidated without the prior written consent from Homeland PRC;
- (xvi) in the event that Jilin Yutai or Jiaxiang Interactive fails to comply with its tax obligations under applicable PRC laws which hinders the exercise of the options under the Exclusive Call Option Agreement, Homeland PRC is entitled to demand Jiaxiang Interactive and Jilin Yutai to pay all relevant taxes and comply with all tax obligations; and
- (xvii) Jiaxiang Interactive shall procure each of its subsidiaries to strictly comply with the terms of the Exclusive Business Cooperation Agreement as if it were a party to such agreements.

Jilin Yutai has further undertaken to perform certain acts or refrain from performing certain other acts, including but not limited to the following matters:

- (i) save for the equity pledge in favor of Homeland PRC created under the Equity Pledge Agreement, Jilin Yutai shall not allow any sell, transfer, creation of encumbrances or other third party rights or otherwise dispose of any of their legal or beneficial equity interests held in Jiaxiang Interactive without the prior written approval from Homeland PRC;
- (ii) save for the equity pledge in favor of Homeland PRC created under the Equity Pledge Agreement, Jilin Yutai shall not approve at the shareholders' meeting of Jiaxiang Interactive, or procure the board of directors of Jiaxiang Interactive not to approve any sell, transfer, creation of encumbrances or other third party rights or otherwise dispose of any legal and beneficial equity interests in or assets of Jiaxiang Interactive without the prior written approval from Homeland PRC;
- (iii) not to approve at the shareholders' meeting of Jiaxiang Interactive, or procure the board of directors of Jiaxiang Interactive not to approve, any mergers or acquisitions or make investment in any entities by Jiaxiang Interactive, without the prior written approval from Homeland PRC;
- (iv) immediately inform Homeland PRC of any disputes, litigations, arbitrations or administrative proceedings related to its equity interest in Jiaxiang Interactive;
- (v) approve and vote in favor of the shareholders' resolutions of Jiaxiang Interactive, or procure the board of directors of Jiaxiang Interactive to approve and vote in favor of any resolutions of Jiaxiang Interactive, concerning the transfer of equity interests and assets pursuant to the Exclusive Call Option Agreement, and take any other action upon the request of Homeland PRC;
- (vi) Jilin Yutai shall execute all necessary or appropriate documents, take all necessary or appropriate actions and submit all necessary appropriate defenses against any charges or claims in order to safeguard the equity interests held by it;
- (vii) upon request from Homeland PRC, appoint any candidate designated by Homeland PRC to serve as a director, an executive director and/or other senior management of Jiaxiang Interactive;
- (viii) if Jilin Yutai receives any dividends, distributable profits and/or other assets from Jiaxiang Interactive, Jilin Yutai shall transfer such benefits received by it at nil consideration to Homeland PRC or any of its designated persons;
- (ix) not to engage in any business which competes, or likely competes, with the business of our Group; and
- (x) to strictly comply with the terms of the Exclusive Call Option Agreement and any other agreements entered into among Homeland PRC, Jilin Yutai and Jiaxiang Interactive and earnestly fulfill their respective obligations under such agreements and not to take, or omit to take, any actions which may affect the validity and enforceability of these agreements. In any event where Jilin Yutai retains any rights in the equity interests under this Exclusive Call Option Agreement, the Equity Pledge Agreement signed by the parties to the Exclusive Call Option Agreement, or the Power of Attorney in favor of Homeland PRC, Jilin Yutai shall not exercise such rights without the prior written approval from Homeland PRC.

The Exclusive Call Option Agreement shall expire when all the equity interests in or assets of Jiaxiang Interactive have been transferred to Homeland PRC or its designee as specified above, unless and until Homeland PRC terminates the Exclusive Call Option Agreement.

To ensure that Jilin Yutai duly discharges their obligations under the 2018 Contractual Arrangements, pursuant to the Exclusive Call Option Agreement, Jilin Yutai has already executed an irrevocable power of attorney and deposit such power of attorney at Homeland PRC, so that Homeland PRC or its designee can be appointed as proxy of Jilin Yutai to execute the equity transfer agreements with respect to their respective shareholding in Jiaxiang Interactive or the asset transfer agreements with respect to the assets of Jiaxiang Interactive and other ancillary documents concerning such transfer(s) and to handling and obtain all relevant approval and registration required under applicable laws and regulations in the event that Jilin Yutai fails to discharge its obligations under the 2018 Contractual Arrangements.

(c) Equity Pledge Agreement

Homeland PRC, Jilin Yutai and Jiaxiang Interactive entered into the Equity Pledge Agreement on 24 September 2018, pursuant to which Jilin Yutai agreed to pledge all of its equity interests in Jiaxiang Interactive to Homeland PRC to secure performance of all its obligations and the obligations of Jiaxiang Interactive under the agreements underlying the 2018 Contractual Arrangements. If Jilin Yutai breaches or fails to fulfill the obligations under any of the agreements underlying the 2018 Contractual Arrangements, Homeland PRC, as the pledgee, will be entitled to foreclose the pledged equity interests, entirely or partially. In addition, pursuant to the Equity Pledge Agreement, Jilin Yutai has undertaken to Homeland PRC, among other things, not to transfer or otherwise dispose its equity interests in Jiaxiang Interactive and not to create or allow any pledge thereon that may affect the rights and interest of Homeland PRC without its prior written consent.

Under the Equity Pledge Agreement, Jilin Yutai also represents and warrants to Homeland PRC that appropriate arrangements have been made to protect Homeland PRC's interests in the event of liquidation, bankruptcy or termination of Jilin Yutai or any circumstances that may affect its exercise of the shareholders' rights to avoid any practical difficulties in enforcing the Equity Pledge Agreement.

Moreover, if Jiaxiang Interactive declares any dividend or distribute any income during the term of the pledge, Homeland PRC is entitled to receive all such dividends or other income arising from the pledged equity interests, if any. It is also agreed that in the event that Jilin Yutai subscribed for or acquired additional equity interest in Jiaxiang Interactive, then the additional equity interest acquired or subscribed for by Jilin Yutai shall also be pledged in favor of Homeland PRC pursuant to the Equity Pledge Agreement.

The Equity Pledge Agreement shall terminate when Jiaxiang Interactive has fulfilled and performed all obligations under the agreements underlying the 2018 Contractual Arrangements or upon the termination of the agreements underlying the 2018 Contractual Arrangements. Furthermore, the Equity Pledge Agreement shall terminate upon the liquidation and dissolution of Jiaxiang Interactive pursuant to PRC laws and regulations and upon which Jiaxiang Interactive and Jilin Yutai shall sell all assets, including equity interests, to Homeland PRC, at nil consideration or the minimum price permitted by PRC laws and regulations, to the extent permitted by PRC laws and regulations, or the then designated liquidator shall dispose of all of the assets including equity interests, in order to protect the interests of shareholders and/or creditors of the direct or indirect offshore parent company of Homeland PRC.

(d) Power of Attorney

On 24 September 2018, Jilin Yutai executed an irrevocable Power of Attorney appointing a director of any direct or indirect shareholder of Homeland PRC or his/her successor (including any liquidator in replacement of such director or his/her successor) who is a PRC citizen as proxy of Jilin Yutai to exercise all of its shareholder's rights in Jiaxiang Interactive. Pursuant to the Power of Attorney, the individual to be appointed as Jilin Yutai's proxy shall exclude Jilin Yutai and its registered shareholders, any other shareholders of Jiaxiang Interactive and any of their associates. Pursuant to the Power of Attorney, the shareholders' rights exercisable by the proxy include, but not limited to, the rights to (i) convene and attend shareholders' meetings and pass any shareholders' resolution of Jiaxiang Interactive, (ii) exercise all shareholders' rights in accordance with applicable laws and the articles and constitutional documents of Jiaxiang Interactive, including but not limited to the exercise of voting rights in shareholders' meetings, (iii) sell, transfer, pledge or otherwise dispose of all or part of the equity interests held in Jiaxiang Interactive by Jilin Yutai, (iv) nominate, elect, designate, appoint or remove the legal representative, directors, supervisors, general manager, chief financial officer and other senior officers of Jiaxiang Interactive, (v) oversee the operating performance of Jiaxiang Interactive, approve its annual budget or declare dividends, and inspect the financial information of Jiaxiang Interactive at any time, (vi) execute and deliver any documents, written resolutions, minutes of meetings, (vii) approving the submission of any registration documents to competent government authorities (including relevant companies registry), (viii) exercise all shareholders' rights and vote as Jilin Yutai in the event of dissolution or liquidation of Jiaxiang Interactive, (ix) filing a lawsuit against such directors as Jilin Yutai or taking other legal actions against any director or manager of Jiaxiang Interactive acting in a manner adversely affecting the interests of Jiaxiang Interactive and (x) approving amendments to the articles of association. The proxy is also authorized to enter into and execute any equity transfer agreement upon the exercise of the call option granted under the Exclusive Call Option Agreement and to secure performance of the other agreements underlying the 2018 Contractual Arrangements for and on behalf of Jilin Yutai.

Under the Power of Attorney, Jilin Yutai irrevocably confirmed that the power of attorney shall remain in full force and effect during the term which Jilin Yutai remains as a shareholder of Jiaxiang Interactive. Jilin Yutai further confirmed and undertook that in the event of liquidation, dissolution and any circumstances which would affect it to exercise its shareholder's rights in Jiaxiang Interactive, any of its successors, controllers or beneficial owners of Jilin Yutai shall be deemed as a party to the Power of Attorney and thereby subject to all obligations of Jilin Yutai under the Power of Attorney. The Proxy shall have the right to re-designate the power of attorney to any other individuals or entities without requiring prior notice to or consent from Jilin Yutai.

The Board (including the independent non-executive Directors) will ensure that any designee or person or entity designated by Jilin Yutai for the purpose of exercising any of their shareholders' rights under the Power of Attorneys shall be restricted to an authorized director of the Company or a legally-held subsidiary (whom shall own fiduciary duties to the Company). The Board will also ensure that no rights shall be granted to any other third parties outside of the Group which does not owe any fiduciary duties to the Company. In view of the proposed corporate and management structure of the Group upon Listing, any one of Mr. MEN Geng (an executive Director), and Mr. YU Ronald Patrick Lup Man, Mr. ZHANG Yuguo or Mr. HU Yangyang (each an independent non-executive Director), each of whom is independent of Jilin Yutai and its respective associates, may be designated to act as the proxy pursuant to the Power of Attorney.

UNDERTAKING FROM THE ULTIMATE LEGAL OWNERS OF JILIN YUTAI

Each of the ultimate legal owners of Jilin Yutai, namely Mr. Wu (who holds 92% equity interests in Jilin Yutai) and Mr. Guo (who holds 8% equity interests in Jilin Yutai), has provided a written undertaking to Homeland PRC to irrevocably undertake that he shall:

- (i) not sell, transfer, create encumbrances or other third party rights or otherwise dispose of any equity interests in Jilin Yutai legally held by him;
- (ii) not approve at the shareholders' meeting of Jilin Yutai, or procure the board of directors of Jilin Yutai not to approve, any sell, transfer, creation of encumbrances or other third party rights or otherwise dispose of any equity interests in Jilin Yutai legally held by him without the prior written approval from Homeland PRC;
- (iii) not approve at the shareholders' meeting of Jilin Yutai, or procure the board of directors of Jilin Yutai not to approve, Jilin Yutai to engage in any mergers or acquisitions or make investment in any entities without the prior written approval from Homeland PRC;
- (iv) immediately inform Homeland PRC of any disputes, litigations, arbitrations or administrative proceedings related to the equity interests he held in Jilin Yutai and take all actions reasonably requested by Homeland PRC to defend such proceedings;
- (v) approve at the shareholders' meeting of Jilin Yutai, or procure the board of directors of Jilin Yutai to approve, all actions necessary to be taken by Jilin Yutai in satisfaction and fulfill its obligations under Exclusive Business Cooperation Agreement, the Exclusive Call Option Agreement and the Equity Pledge Agreement under the 2018 Contractual Arrangements;
- (vi) execute all necessary or appropriate documents, take all necessary or appropriate actions and submit all necessary or appropriate defenses against any charges or claims in order to maintain the ownership of his equity interest in Jilin Yutai;
- (vii) upon request of Homeland PRC, appoint any candidate designated by Homeland PRC to serve as a director, an executive director and/or other senior management of Jilin Yutai;
- (viii) if he receives any dividends, distributable profits and/or other assets from Jilin Yutai, he shall transfer such benefits received by it at nil consideration to Homeland PRC or any of its designated persons;
- (ix) not to engage in any business which competes, or likely competes, with the businesses of Homeland PRC, Jiaxiang Interactive, Jilin Yutai and any of their respective affiliates; and
- (x) strictly abide with all the aforementioned undertakings and procure Jilin Yutai to fulfill all its obligations under the 2018 Contractual Arrangements, and that he will not carry out any act that may affect or hinder the fulfillment of Jilin Yutai's obligations under each of the agreements underlying the 2018 Contractual Arrangements to which Jilin Yutai is a party.

Each of Mr. Wu and Mr. Guo also confirms that each of his successor, guardian, creditor, spouse or any other person who may be entitled to assume rights and interests in his equity interest in Jilin Yutai, and therefore his indirect interest in Jiaxiang Interactive and its subsidiaries, will be deemed as executing party to the said written undertaking and inherit all his rights and obligations thereunder upon his death, incapacity, divorce or its liquidation, bankruptcy or dissolution or any other circumstances that may affect his ability to exercise his shareholder's rights in Jilin Yutai.

Risks Relating to the 2018 Contractual Arrangements

There are the certain risks that are associated with the 2018 Contractual Arrangements, including:

- If the PRC government finds that the agreements that establish the structure for operating the Group's mobile game businesses in the PRC do not comply with applicable PRC laws and regulations, or if these regulations or their interpretations change in the future, the Group could be subject to severe consequences, including the nullification of the 2018 Contractual Arrangements and the relinquishment of our interest in those PRC operating entities.
- Since the Foreign Investment Law continues to evolve, uncertainties exist with respect to the interpretation and implementation of the Foreign Investment Law and how it may impact the viability of the Company's current corporate structure, corporate governance and business operations.
- 2018 Contractual Arrangements may not be as effective in providing operational control as direct ownership. The Group's PRC operating entities or its shareholders may fail to perform their obligations under the 2018 Contractual Arrangements.
- The Group may lose the ability to use and enjoy assets held by its PRC operating entities that are material to its business operations if its PRC operating entities declare bankruptcy or become subject to a dissolution or liquidation proceeding.
- The shareholders of the Group's PRC operating entities may have conflicts of interest with the Group, which may materially and adversely affect the business of the Group.
- The Group conducts its business operation in the PRC through its PRC operating entities by way of 2018 Contractual Arrangements. However, certain terms of the 2018 Contractual Arrangements may not be enforceable under PRC laws.
- The 2018 Contractual Arrangements between Homeland PRC and the Group's PRC operating entities may subject the Group to increased income tax due to the different income tax rates applicable to Homeland PRC and the Group's PRC operating entities and adversely affect the results of operations of the Group.
- If the Group exercises the option to acquire equity ownership and assets of its PRC operating entities, the ownership or asset transfer may subject it to substantial costs.

For further details, please refer to the section headed "Risk Factors — Risks Relating to Our Contractual Arrangements" of the Prospectus.

Mitigation actions taken by the Company

The Company's management works closely with its external legal counsels and advisors to monitor the regulatory environment and developments in PRC laws and regulations to mitigate the risks associated with the 2018 Contractual Arrangements.

The Group has adopted measures to ensure the effective operation of the Group's businesses with the implementation of the 2018 Contractual Arrangements and its compliance with the 2018 Contractual Arrangements, including, among others:

- major issues arising from implementation of the 2018 Contractual Arrangements will be regularly reviewed, at least on a quarterly basis, by the Board;
- matters relating to compliance and regulatory enquiries from government authorities (if any) will be discussed at these regular meetings;
- the relevant business units and operation divisions of the Group will report regularly, which will be no less frequently than on a monthly basis, to the senior management of the Company in relation to compliance and performance conditions under the 2018 Contractual Arrangements and other related matters; and
- the independent non-executive Directors will review the compliance of the Existing Contractual Arrangements on an annual basis and their confirmation will be disclosed in the Company's annual report.

Waiver from the Stock Exchange

The transactions contemplated under the 2018 Contractual Arrangements constitute continuing connected transactions for the Company pursuant to Chapter 14A of the Listing Rules. The Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver (i) pursuant to Rule 14A.105 of the Listing Rules from strict compliance with the announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the transactions contemplated under the 2018 Contractual Arrangements, and (ii) pursuant to Rule 14A.102 of the Listing Rules from strict compliance with (a) the requirement of setting an annual cap for the fees payable to Homeland PRC under the 2018 Contractual Arrangements under Rule 14A.53 of the Listing Rules, and (b) the requirement of limiting the term of the 2018 Contractual Arrangements to three years or less under Rule 14A.52 of the Listing Rules, for so long as Shares are listed on the Stock Exchange, subject to certain conditions. For details, please refer to the section "Continuing Connected Transactions" in the Prospectus.

Confirmation of Independent Non-executive Directors

The independent non-executive Directors have reviewed the above continuing connected transactions of the Company and confirmed that (i) the transactions carried out during the year ended 31 December 2025 have been entered into in accordance with the relevant provisions of the 2018 Contractual Arrangements and the 2024 Contractual Arrangements, have been operated so that the profit generated by Jiaxiang Interactive, Jiaxiang Weilai and their respective subsidiaries has been substantially retained by Homeland PRC and Yutai Shenzhen; (ii) no dividends or other distributions have been made by Jiaxiang Interactive and Jiaxiang Weilai or any non-wholly owned subsidiary of the Group to the holders of its equity interests which are not otherwise subsequently assigned or transferred to the Group; and (iii) no new transactions, contracts and agreements or renewal of existing agreements have been entered into between the Group and Jiaxiang Interactive or Jiaxiang Weilai during the year ended 31 December 2025.

The independent non-executive Directors also confirmed that the continuing connected transactions conducted during the Reporting Period were (1) entered into in the ordinary and usual course of business of the Group; (2) on normal commercial terms or on better terms; and (3) in accordance with the agreements governing such transactions, on fair and reasonable terms and in the interests of the Shareholders as a whole.

Confirmation from the Company's Independent Auditors

Deloitte Touche Tohmatsu, the Company's auditor, was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. Deloitte Touche Tohmatsu has issued its unqualified letter containing their findings and conclusions in respect of the continuing connected transactions in connection with Contractual Agreements for the 2018 Contractual Arrangements and the 2024 Contractual Arrangements for the year ended 31 December 2025 in accordance with Rule 14A.56 of the Listing Rules, with an emphasis in relation to the fact that the Company is not required to establish and announce an annual cap in respect of the continuing connected transactions in connection with the Contractual Agreements for the 2018 Contractual Arrangements and the 2024 Contractual Arrangements for the year ended 31 December 2025. Deloitte Touche Tohmatsu has also confirmed in its letter that with respect of the continuing connected transactions with Homeland PRC, Jiaxiang Interactive, Jilin Yutai, Mr. Wu and Mr. Guo under the contractual arrangements and Jiaxiang Weilai, Yutai Shenzhen, Jilin Yutai, Mr. Wu and Mr. Guo under the contractual arrangements, nothing has come to their attention that causes them to believe that dividends or other distributions have been made by Jiaxiang Interactive and Jiaxiang Weilai to the holders of the equity interests of Jilin Yutai, Mr. Wu and Mr. Guo which are not otherwise subsequently assigned or transferred to the Group.

Save as disclosed in this annual report, as of the date of this annual report, the Company had no connected transactions which are required to be disclosed in accordance with the provisions under Chapter 14A of the Listing Rules in relation to the disclosure of connected transactions.

Further details on related party transactions for the year ended 31 December 2025 are set out in note 35 to the consolidated financial statements. Among these, the remuneration paid to the Directors of the Company constitutes a connected transaction of the Company, but can be fully exempted pursuant to Rule 14A.95 of the Listing Rules; the remuneration paid to the Chief Executive Officer of the Company constitutes a connected transaction of the Company, but can be fully exempted pursuant to Rule 14A.76 of the Listing Rules.

Save as disclosed in this annual report, none of the related party transactions constitutes a connected transaction or continuing connected transaction subject to the reporting, announcement or independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

During the Reporting Period, the Company complied with the provisions under Chapter 14A of the Listing Rules, including those disclosure requirements, in respect of the continuing connected transaction entered into by the Group (if applicable).

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 31 December 2025, the interests and short positions of the Directors or the chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of the SFO) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix C3 to the Listing Rules, were as follows:

(i) Interests of Directors and Chief Executive of the Company

Name of Director/ Chief Executive	Nature of interest	Number of underlying Shares ⁽¹⁾	Approximate percentage of shareholding interest
Mr. WU Chengze ("Mr. Wu") ⁽²⁾	Interest in controlled corporation	53,658,000	4.18%
	Founder of a discretionary trust who can influence how the trustee exercise his discretion	383,736,000	29.90%
Mr. Su Bo ("Mr. Su") ⁽³⁾	Interest in controlled corporation	67,414,500	5.25%
	Beneficial owner	698,338	0.05%
Mr. DING Chunlong ("Mr. Ding") ⁽⁴⁾	Interest in controlled corporation	44,179,457	3.44%
	Beneficial owner	35,838,681	2.79%
Ms. CUI Wei ("Ms. Cui")	Beneficial owner	4,513,462	0.35%

Notes:

(1) All interests stated are long positions.

(2) Mr. Wu holds the entire share capital of Wu Chengze Network Limited, which in turn directly holds 50,106,000 Shares; Mr. Wu Chengze controls one-third or more of the voting power at general meetings of the Company and is taken to have an interest in a total of 3,552,000 treasury shares of the Company; Mr. Wu is the founder of a trust, Trident Trust Company (Cayman) Limited is the trustee, and he holds 383,736,000 Shares through Evergreen Homeland Holdings Limited, a subsidiary of Lumiere Vision Holdings Limited. Accordingly, Mr. Wu is deemed to be interested in total of 437,394,000 Shares held by Wu Chengze Network Limited, the Company and Evergreen Homeland Holdings Limited.

(3) Mr. Su holds the entire share capital of Su Bo Network Limited, which in turn directly holds 67,414,500 Shares. Accordingly, Mr. Su is deemed to be interested in the 67,414,500 Shares held by Su Bo Network Limited.

(4) Mr. Ding holds the entire share capital of Ding Chun Long Network Limited, which in turn directly holds 44,179,457 Shares. Accordingly, Mr. Ding is deemed to be interested in the 44,179,457 Shares held by Ding Chun Long Network Limited.

(ii) Interest in the Company's subsidiary, Jiaxiang Interactive (Xiamen) Network Technology Company Limited

Name of Director/ Chief Executive	Nature of Interest	Registered capital	Percentage of interest
Mr. Wu ⁽¹⁾	Interest in controlled corporation	RMB10,000,000	100%
Mr. Su ⁽¹⁾	Other	RMB10,000,000	18.4%

Note:

- (1) Jilin Yutai Network Technology Company Limited holds the entire registered capital of RMB10,000,000 in Jiaxiang Interactive (Xiamen) Network Technology Company Limited. Jilin Yutai Network Technology Company Limited is held as to 92% by Mr. Wu and 8% by Mr. Guo Shunshun. Accordingly, Mr. Wu is deemed to be interested in the RMB10,000,000 registered capital in Jiaxiang Interactive (Xiamen) Network Technology Company Limited. 55.2% of Jilin Yutai Network Technology Company Limited was held by Mr. Wu as beneficial owner, 18.4% was held by Mr. Wu as nominee for Mr. Jiang Mingkuan and 18.4% was held by Mr. Wu as nominee for Mr. Su.

(iii) Interests in Other Members of the Group

So far as the Directors are aware, as of 31 December 2025, the following persons (excluding the Company) are directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Name of subsidiary	Name of shareholder	Registered capital	Percentage of interest
Jiaxiang Interactive (Xiamen) Network Technology Company Limited	Jilin Yutai Network Technology Company Limited	RMB10,000,000	100%

Save as disclosed above, as at 31 December 2025, none of the Directors nor the chief executive of the Company had any interests or short positions in any of the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at 31 December 2025, so far as is known to 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 of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be recorded in the register required to be kept under Section 336 of the SFO:

Name	Nature of interest	Number of underlying Shares ⁽¹⁾	Approximate percentage of shareholding interest
Futu Trustee Limited	Trustee	100,495,703	7.83%
	Custodian (other than an exempt custodian interest)	10,248,978	0.80%
Co-challengers Growth Limited ⁽²⁾	Beneficial owner	70,840,000	5.52%
Mr. LI Bo ⁽²⁾	Interest in controlled corporation	70,840,000	5.52%
Beijing Chuangxin Yizhou Investment Management Limited (北京創新壹舟投資管理有限公司) (“ Yizhou Investment Management ”) ⁽³⁾	Interest in controlled corporation	70,840,000	5.52%
Xiamen Yizhou Xingchen Investment Management Limited (廈門壹舟星辰投資管理有限公司) (“ Xingchen Investment Management ”) ⁽³⁾	Interest in controlled corporation	70,840,000	5.52%
Xiamen Challenger Venture Capital Partnership (Limited Partnership) (廈門挑戰者創業投資合夥企業(有限合夥)) (“ Xiamen Challenger ”) ⁽²⁾	Interest in controlled corporation	70,840,000	5.52%
Jiang Ming Kuan Network Limited ⁽³⁾	Beneficial owner	96,671,201	7.53%
Mr. JIANG Mingkuan (“ Mr. Jiang ”) ⁽³⁾	Interest in controlled corporation	96,671,201	7.53%
Su Bo Network Limited ⁽⁴⁾	Beneficial owner	67,414,500	5.25%
Evergreen Homeland Holdings Limited ⁽⁵⁾	Beneficial owner	383,736,000	29.90%
Lumiere Vision Holdings Limited ⁽⁵⁾	Interest in controlled corporation	383,736,000	29.90%
Trident Trust Company (Cayman) Limited ⁽⁵⁾	Trustee	383,736,000	29.90%

Notes:

- (1) All interests stated are long positions.
- (2) Co-challengers Growth Limited is wholly-owned by Xiamen Challenger, a limited partnership, and is ultimately controlled by Mr. LI Bo, who has approximately 99.9% interest in Yizhou Investment Management, which has approximately 90% interest in Xingchen Investment Management, the sole general partner of Xiamen Challenger. Accordingly, each of Xiamen Challenger, Mr. LI Bo, Yizhou Investment Management and Xingchen Investment Management is deemed to be interested in the Shares held by Co-challengers Growth Limited.
- (3) Mr. Jiang holds the entire share capital of Jiang Ming Kuan Network Limited, which in turn directly holds 96,671,201 Shares. Accordingly, Mr. Jiang is deemed to be interested in the 96,671,201 Shares held by Jiang Ming Kuan Network Limited.
- (4) Mr. Su holds the entire share capital of Su Bo Network Limited, which in turn directly holds 67,414,500 Shares. Accordingly, Mr. Su is deemed to be interested in the 67,414,500 Shares held by Su Bo Network Limited.
- (5) Evergreen Homeland Holdings Limited is owned as to 99% by Lumiere Vision Holdings Limited which is wholly-owned by Trident Trust Company (Cayman) Limited (as trustee of the trust). Accordingly, each of Lumiere Vision Holdings Limited and Trident Trust Company (Cayman) Limited is deemed to be interested in the 383,736,000 Shares held by Evergreen Homeland Holdings Limited.

Save as disclosed above, as at 31 December 2025, the Directors were not aware of any other persons who had any interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be recorded in the register required to be kept under Section 336 of the SFO.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACT OF SIGNIFICANCE

Save as disclosed in this annual report, no controlling Shareholders or their subsidiaries had a material interest, either directly or indirectly, in any contract of significance, whether for the provision of services or otherwise, to the Group to which the Company or any of its subsidiaries was a party during the Reporting Period.

MAJOR CUSTOMERS AND SUPPLIERS

Major Customers

The Company's ultimate customers are individual game players. Due to the Group's large customer base, its five highest paying players in aggregate contributed to substantially less than 30% of the total sales proceeds received during the year ended 31 December 2025.

Major Suppliers

For the year ended 31 December 2025, the Group's five largest suppliers accounted for approximately 49.08%, as compared to approximately 55.91% of the Group's total purchase amounts for the year ended 31 December 2024. The Group's single largest supplier accounted for approximately 27.94%, as compared to approximately 24.86% of the Group's total purchases for the year ended 31 December 2024.

During the year ended 31 December 2025, none of the Directors or any of their close associates or any Shareholders (which, to the knowledge of the Directors, own more than 5.0% of the number of issued shares of the Company) had any interest in the Group's five largest suppliers.

MANAGEMENT CONTRACTS

During the Reporting Period, the Company has not entered into any contract with any individuals, firm or body corporate to manage or administer the whole or any substantial part of any business of the Group.

DIRECTORS' PERMITTED INDEMNITY PROVISION

Each Director or other officer of the Company shall be entitled to be indemnified out of the assets of Company from and against all actions, costs, charges, losses, damages and expenses which he/she may sustain or incur in or about the execution of the duties of his/her office or trusts or otherwise in relation thereto in accordance with the Articles of Association. The Company has arranged appropriate directors' liability insurance coverage for the Directors of the Group. Such insurances were effective during the year ended 31 December 2025, and remained effective as at the date of this report.

RESULTS

The results of the Group for the Reporting Period are set out in the consolidated statement of profit or loss and other comprehensive income on page 155 of this annual report.

SHARE CAPITAL

Details of movements in share capital of the Company during the Reporting Period are set out in note 32 to the consolidated financial statements in this annual report.

RESERVES AND DISTRIBUTABLE RESERVES

Details of movements in the reserves of the Group and of the Company during the year ended 31 December 2025 are set out in the consolidated statement of changes in equity and note 39 to the consolidated financial statements in this annual report. As at 31 December 2025, the Company's distributable reserves calculated under the Companies Law of the Cayman Islands comprise the share premium and other reserves totaling approximately RMB73.7 million (As at 31 December 2024: RMB88.7 million).

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the Reporting Period are set out in note 15 to the consolidated financial statements in this annual report.

ACQUISITION OF PROPERTIES

On 3 December 2025, Shenzhen Jiaxiang Weilai Network Technology Co., Ltd.* (深圳家鄉未來網絡科技有限公司) (an indirect wholly-owned subsidiary of the Company) (as the purchaser) entered into the Sale and Purchase Agreement on Commercial Properties with the Shenzhen Runxin Linglingyi Management and Consulting Limited* (深圳潤信零零壹管理諮詢有限公司) (as the vendor), pursuant to which the purchaser has agreed to purchase and the vendor has agreed to sell certain properties at the aggregate consideration of RMB107,496,900. The properties represent Units 01, 02, 03, 05, 06, 07 on 1/F of lower level, T2 Qianhai China Resources Financial Center, Nantou Street, Nanshan District, Shenzhen, with a total gross floor area of approximately 2,390 square meters. The Group intends to purchase these properties for its own office use in Shenzhen.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 December 2025, Futu Securities International (Hong Kong) Limited, an independent trustee for the 2019 Share Award Scheme, purchased 50,138,000 Shares with total consideration of RMB82,229,000 (equivalent to HK\$90,123,000) on the Stock Exchange for the purpose of future grants of the 2019 Share Award Scheme of the Company.

During the year ended 31 December 2025, the Company has repurchased 3,552,000 Shares on the Stock Exchange with total consideration of HK\$5,240,060, which were held as treasury shares. Details of the Shares repurchased on the Stock Exchange during the year ended 31 December 2025 are as follows:

Month of Repurchase	No. of Shares Repurchased	Highest Price Paid Per Share (HK\$)	Lowest Price Paid Per Share (HK\$)	Aggregate Consideration (HK\$)
November 2025	874,000	1.57	1.38	1,299,440
December 2025	2,678,000	1.54	1.39	3,940,620
Total	3,552,000			5,240,060

The Directors of the Company believe that the above repurchases are in the best interests of the Company and its Shareholders and that such repurchases would lead to an enhancement of the Company's net asset value per share and/or earnings per share. As at 31 December 2025, there were 3,552,000 treasury shares held by the Company. The Board is of the view that the Company's repurchases and holding of Shares as treasury shares provides enhanced flexibility to either dispose of such treasury shares on the market at market prices to raise funds for the Company, or transferred or used for other purposes, subject to compliance with the Articles of Association, the Listing Rules, and the laws of the Cayman Islands.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities (including sale of treasury shares) of the Company during the year ended 31 December 2025.

EQUITY-LINKED AGREEMENTS

Details of the 2025 Share Scheme are set out in the section headed “Share Incentive Schemes” above. Save as disclosed above, no equity-linked agreement will or may result in the Company issuing Shares or that require the Company to enter into any agreements that will or may result in the Company issuing Shares, were entered into by the Company in 2025 or subsisted at the end of 2025.

ARRANGEMENT TO PURCHASE EQUITY OR DEBT SECURITIES

As at 31 December 2025, or at any time during the year ended 31 December 2025, none of the Group, the holding company of the Company, or any of its subsidiaries was a party to any arrangement enabling the Directors to acquire benefits by means of the acquisition of equity or debt securities, including the debentures of the Company or any other body corporate.

CORPORATE GOVERNANCE

A report on the principal corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 78 to 92 of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available and within the knowledge of the Directors, as at the date of this annual report, there is sufficient public float of more than 25% of the Company’s issued shares as required under the Listing Rules.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the relevant laws of the Cayman Islands where the Company is incorporated which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

DONATIONS

For the year ended 31 December 2025, the Company made charity donations of approximately RMB1,540,000.

FINAL DIVIDEND

After careful consideration, the Board has determined not to recommend a final dividend payment for the financial year ended 31 December 2025, in order to preserve capital for strategic business development.

AUDITOR

The Company has appointed Deloitte as the auditor of the Company for the year ended 31 December 2025. A resolution will be proposed for approval by Shareholders at the forthcoming AGM to re-appoint Deloitte as the auditor of the Company.

There were no changes in auditors of the Company during the past three years.

By Order of the Board

Homeland Interactive Technology Ltd.

WU Chengze

Chairman

Hong Kong, 28 April 2026

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

The Board is committed to upholding high standards of corporate governance practices and business ethics in the firm belief that they are crucial to improving the efficiency and performance of the Group and to safeguarding the interests of the Shareholders. The Board reviews the Company's corporate governance practices from time to time in order to meet the expectations of stakeholders and comply with increasingly stringent regulatory requirements, and to fulfill its commitment to excellence in corporate governance. Set out below are the principles of corporate governance as adopted by the Company during the year ended 31 December 2025.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the year ended 31 December 2025, the Company has complied with the applicable code provisions as set forth in the corporate governance code (the **"CG Code"**) contained in Appendix C1 to the Listing Rules, and no deviation from the CG Code has been identified.

Pursuant to code provision C.2.1 of the CG Code, the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual. During the Reporting Period, the chairman and chief executive officer of the Company were Mr. WU Chengze and Ms. CUI Wei, respectively. This arrangement is considered to comply with relevant requirements under code provision C.2.1 of the CG Code. The position of the chief executive officer of the Company has been vacant since Ms. CUI Wei's resignation.

The Board will continue to review and monitor the practices of the Company for the purpose of complying with the CG Code and maintaining a high standard of corporate governance practices of the Company.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code for securities transactions by the Directors. Having made specific enquiry of all Directors, it is confirmed that all Directors have complied with the Model Code throughout the Reporting Period.

BOARD OF DIRECTORS

The Board oversees the Group's businesses, strategic decisions and performance and should take decisions objectively in the best interests of the Company.

The Board should regularly review the contribution required of a Director to perform his responsibilities to the Company, and whether the Director is spending sufficient time in performing them. The composition of the Board reflects the necessary balance of skills and experience desirable for effective leadership of the Company and independence in decision making.

Board Composition

As at 31 December 2025, the Company has three executive Directors and three independent non-executive Directors. As at the date of this annual report, the composition of the Board is as follows:

Executive Directors

Mr. WU Chengze (*Chairman*)

Mr. SU Bo

Mr. DING Chunlong

Independent Non-executive Directors

Mr. ZHANG Yuguo

Mr. HU Yangyang

Ms. GUO Ying

During the Reporting Period, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his/her independence. The Company is of the view that all independent non-executive Directors are independent in accordance with the independence requirement set out in the Listing Rules.

The biographical information of the Directors is set out in the section headed "Directors and Senior Management" on pages 29 to 32 of this annual report.

The list of Directors (by category) is also disclosed in all corporate communications issued by the Company from time to time pursuant to the Listing Rules. The independent non-executive Directors are expressly identified in all corporate communications pursuant to the Listing Rules.

Save as disclosed in the section headed "Directors and Senior Management", the Directors do not have any other financial, business, family or other material/relevant relationships with one another.

Appointment and Re-election of Directors

Each of the Directors has entered into a service contract/agreement (in the case of the executive Directors) or has been issued a letter of appointment (in the case of the independent non-executive Directors) for a specific term of three years, which is renewable by mutual consent and subject to the Articles of Association.

The Articles of Association provides that all Directors appointed to fill a casual vacancy or as an addition to the Board shall be subject to election by Shareholders at the first annual general meeting of the Company after his/her appointment.

Every Director (including those appointed for a specific term) shall also be subject to retirement and re-election by rotation at least once every three years at the annual general meetings of the Company under the Articles of Association.

Responsibilities of the Directors

The Board should assume responsibility for leadership and control of the Company; and is collectively responsible for directing and supervising the Company's affairs.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgment on corporate actions and operations.

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company are delegated to the management.

Mechanism to Ensure Independent Views to the Board

To ensure that the Board can obtain independent views and opinions, our Company has established various formal and informal channels whereby independent non-executive directors can express their opinions in an open and candid manner, and in a confidential manner, should circumstances require.

The Company ensures the introduction of independent advice to the Board through the following mechanisms:

1. the Nomination Committee reviews the composition of the Board and the independence of the independent non-executive Directors annually;
2. the Company obtains a confirmation from each of the independent non-executive Directors that they are independent of the Company. The Company considers all the independent non-executive Directors to be independent;
3. the Chairman of the Board meets with the independent non-executive Directors at least once a year; and
4. all members of the Board may seek independent professional advice, if necessary, at the Company's expense in performing their duties in accordance with the policies of the Company.

The Board reviews the implementation and effectiveness of the mechanism on an annual basis.

Continuous Professional Development of Directors

All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that they remain informed and relevant for their contribution to the Board.

Every newly appointed Director has received formal, comprehensive and tailored induction on the first occasion of his appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements. Besides, meetings with senior management of the Company were also arranged.

Directors shall participate in appropriate continuous professional development to develop and refresh their knowledge and skills. Internally-facilitated briefings for Directors would be arranged and reading material on relevant topics would be provided to Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expenses.

The joint company secretaries update and provide written training materials in respect of the roles, functions and responsibilities of Directors from time to time. The Company also regularly provides Directors with updated information on the performance, position and prospect of the Company to enable all Directors of the Board to fulfil their responsibilities.

As of 31 December 2025, the trainings undertaken by Directors are summarised as follows:

Directors	Training Category
Executive Directors	
Mr. WU Chengze (<i>Chairman</i>)	A, B
Mr. DING Chunlong	A, B
Mr. SU Bo	A, B
Independent Non-Executive Directors	
Mr. ZHANG Yuguo	A, B
Mr. HU Yangyang	A, B
Ms. GUO Ying	A, B

Notes:

A: Directors participate in trainings related to the business of the Company during their terms.

B: Read materials on a wide range of topics, including the roles, functions and responsibilities of Directors, the Listing Rules and other relevant laws.

Attendance Records of Directors and Committee Members

The attendance records of each Director at Board meetings, general meeting, and Board Committee meetings of the Company held during the Reporting Period are set out in the table below:

Name of Directors	Board	Attendance/Number of Meetings Held During the Term of Office				
		Annual General Meeting	Extraordinary General Meeting	Audit Committee	Remuneration Committee	Nomination Committee
Mr. WU Chengze	7/7	1/1	—	—	—	1/1
Mr. SU Bo	6/7	1/1	—	—	—	—
Mr. DING Chunlong	4/7	1/1	—	—	—	—
Mr. ZHANG Yuguo	4/7	1/1	—	2/2	3/3	—
Mr. HU Yangyang	7/7	1/1	—	2/2	3/3	1/1
Ms. GUO Ying	5/7	1/1	—	2/2	3/3	1/1

Code provision C.5.1 of the CG Code prescribes that at least four regular Board meetings should be held in each year at approximately quarterly intervals with active participation of majority of directors, either in person or through electronic means of communication. During the Reporting Period, the Company held seven Board meetings in total. During the Reporting Period, the Company held an annual general meeting on 17 June 2025 (“**2025 AGM**”). All the directors of the Company attended the 2025 AGM.

BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, Remuneration Committee and Nomination Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the Audit Committee, Remuneration Committee and Nomination Committee are posted on the Company's website and the Stock Exchange's website and are available to Shareholders upon request.

All the members of the Remuneration Committee and the Audit Committee are independent non-executive Directors, and the majority of the members of the Nomination Committee are independent non-executive Directors.

The Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expense.

Audit Committee

The Audit Committee consists of three independent non-executive Directors, namely Mr. Hu Yangyang, Mr. ZHANG Yuguo and Ms. GUO Ying. Mr. Hu Yangyang, being the chairman of the committee, is appropriately qualified as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code. The main duties of the Audit Committee are to review and supervise the financial reporting process, risk management and internal controls system of the Group, assist the Board to fulfill its responsibility over the audit, and review and approve connected transactions and to advise the Board.

The Audit Committee is also responsible for performing the functions set out in code provision A.2.1 of the CG Code. These include developing and reviewing the Company's policies and practices on corporate governance and making recommendations to the Board; reviewing and monitoring the training and continuous professional development of Directors and senior management of the Company; reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements; developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to the Directors and employees of the Company; and reviewing the Company's compliance with the CG Code from time to time adopted by the Company and the disclosure in the corporate governance report to be contained in the Company's annual report.

The Audit Committee held two meetings to review interim and annual financial results and reports in respect of the year ended 31 December 2025 and significant issues on the financial reporting and compliance procedures, internal control and risk management systems, effectiveness of internal audit, scope of work and appointment of external auditors, connected transactions, the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code, and the Company's compliance with the CG Code and disclosure in the Corporate Governance Report. During the Reporting Period, the Audit Committee also met the external auditors twice without the presence of the executive Directors and the management.

The Company shall prepare for the preliminary preparation for the decision-making of the Audit Committee, and the coordination between the Company's internal audit department, financial department and other relevant departments to provide written information of the Company; the Audit Committee meeting shall review the reports provided by the relevant departments, and submit relevant written resolution materials to the Board for discussion.

The Audit Committee has reviewed the Company's audited consolidated results for the Reporting Period, and confirms that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made.

Remuneration Committee

The company established the Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the CG Code. The Remuneration Committee consists of three members, namely Mr. HU Yangyang, Mr. ZHANG Yuguo and Ms. GUO Ying, all being independent non-executive Directors. Mr. HU Yangyang is the chairman of the committee.

The terms of reference of the Remuneration Committee are of no less exacting terms than those set out in the CG Code. The main responsibilities of the Remuneration Committee include: studying the evaluation criteria for Directors and senior management members; conducting evaluations and make recommendations; studying and reviewing the remuneration policies and plans for Directors and senior management members, and submitting relevant proposals to the Board for approval; supervising and implementing the implementation of the resolutions of the Board in relation to the remuneration or assessment of the Directors and senior management of the Company; reviewing and monitoring the training and continuous professional development of the Directors and senior management members; and reviewing and approving matters relating to share schemes under Chapter 17 of the Listing Rules.

For the year ended 31 December 2025, the Remuneration Committee held three meetings to review the remuneration adjustment principle of all employees as a whole, the remuneration policy and structure of the Company and the remuneration packages of the Directors and other related matters, and have approved the Share Awards granted on 2 April 2025 and 12 September 2025 pursuant to the 2019 Share Award Scheme and the adoption of the 2025 Share Scheme and made recommendation to the Board.

The 2019 Share Award Scheme has no specific requirements as to the length of the vesting period. Taking into account that the granting of the Share Awards is in recognition of the grantee's past contribution to the Group or outstanding performance in the previous financial year and to motivate the grantees to continue to contribute to the operation, development and long-term growth of the Group, the Remuneration Committee and the Board consider that a vesting period of less than 12 months is appropriate. The vesting date in respect of any Share Awards or Share Options for all Eligible Participants must not be less than 12 months from the grant date. The administration body may at its discretion grant a shorter vesting period to an employee participant in the circumstances specified in the scheme rules. The Remuneration Committee and the Board are of the view that the vesting period (including the circumstances in which a shorter vesting period may apply) enables the Company to offer competitive remuneration and reward packages to employee participants, on an ad hoc basis, in such circumstances that would be justified and reasonable, which is also consistent with the Listing Rules and the former practice of the Company and peer companies in the Group's industry. Accordingly, the above vesting period is considered appropriate and aligns with the purpose of the 2025 Share Scheme.

There are no performance targets and clawback mechanism attached to the Share Awards under the 2019 Share Award Scheme. Taking into account that (i) the granting of the Share Awards is in recognition of the grantees' past contribution to the Group, given that the overall business performance and development of the business in the last financial year, the grantees have rendered services to the Group for varying periods of time and are regarded to have performed outstandingly, (ii) the Share Awards are subject to certain vesting conditions and the terms of the schemes and (iii) the value of the Share Awards will be linked to the future price of the Shares, and thus incentivise the grantees to contribute to the development of the Company, the Remuneration Committee and the Board are of the view that in the absence of additional performance targets and clawback mechanism, the granting of Share Awards aligns the interests of the grantees with those of the Group and the Shareholders, motivates the grantees to strive for the enhancement of the Group's sustained competitiveness, operational performance and growth in the future, and reinforces the grantees' commitment to the long-term service of the Group, which is in line with the purpose of the schemes to motivate the participants and allow them to participate in the growth of the Group's business. The Board may in respect of each Share Awards and/or Share Options under the 2025 Share Scheme and subject to all applicable laws, rules and regulations determine such performance targets or other criteria or conditions for vesting of Share Awards and/or exercising of Share Options in its sole and absolute discretion on a case-by-case basis. The performance targets refer to any performance measures, or derivations of such performance measures that may be related to the individual grantee or the Group as a whole, or to a subsidiary, division, department, region, function or business unit of the Company or the relevant related entity participant. The Board and the Remuneration Committee believe that it is in the best interests of the Company to retain the flexibility to impose appropriate conditions in light of the particular circumstances of each Grant, which would then be a more meaningful reward for each eligible participant's contribution or potential contribution. It is considered that by allowing the Company to require the Eligible Participant to achieve such performance targets as may be stipulated in the Grant Letter on a case-by-case basis, the Company may be in a better position to incentivise suitable eligible participants to deliver high quality work or to complete specified projects or goals important to the Group, which is in line with the purpose of the 2025 Share Scheme. Where Share Awards and/or Share Options are granted to Directors or senior management of the Company without performance targets, the views of the Remuneration Committee on why performance targets are not necessary and how the grants align with the purpose of the 2025 Share Scheme, will be included in the announcement to be issued after any grant of Share Awards and/or Share Options as required by the Listing Rules. There is no clawback mechanism to recover or withhold the remuneration with regard to the Share Awards and/or the Share Options granted to the Eligible Participants under the 2025 Share Scheme.

Pursuant to code provision E.1.5 of the CG Code, details of the remuneration of the senior management (other than Directors) by bands for the year ended 31 December 2025 is as follows:

	Number of employee(s)
Nil to HK\$1,000,000	0
HK\$1,000,001 to HK\$2,000,000	1
HK\$2,000,001 to HK\$3,000,000	0
HK\$3,000,001 to HK\$4,000,000	0
HK\$4,000,001 to HK\$5,000,000	1
HK\$5,000,001 to HK\$6,000,000	0
HK\$6,000,001 to HK\$7,000,000	1

Details of the Directors' remuneration are set out in note 13 to the consolidated financial statements in this annual report. The compensation packages for the executive Directors were determined after taking into account salaries paid by comparable companies, time commitment and responsibilities of the executive Directors and performance of the Group, whereas the director's fees payable to the independent non-executive Directors were determined by arm's length negotiations between the independent non-executive Directors and the Company with reference to their duties, responsibilities and prevailing market conditions.

Nomination Committee

The Nomination Committee consists of three members, namely Mr. WU Chengze, the chairman and executive director, Ms. GUO Ying and Mr. HU Yangyang, being independent non-executive Directors. Mr. WU Chengze is the chairman of the committee. The majority of the Nomination Committee members are independent non-executive Directors.

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code. The main duties of the Nomination Committee are to make recommendations to the Board regarding the appointment of Directors and Board succession.

The Company has formulated and adopted the board diversity policy (the "**Board Diversity Policy**") for compliance with the Listing Rules and the code provisions concerning the diversity of board members. The Board Diversity Policy sets out the approach adopted by the Board regarding diversity of Board members.

The Company recognizes the importance of achieving diversity in the Board and the board diversity policy of the Company sets out the approach to include and make good use of differences in the talents, skills, knowledge, regional and industry experience, cultural and educational background, ethnicity, gender, length of service and other qualities of the members of the Board. In particular, there will be no discrimination on the ground of race, age, gender or religious belief. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately.

For gender diversity, one of our independent non-executive Director is female. Taking into account our existing business mode and specific needs as well as the different background of our Directors, we are of the view that the composition of our Board satisfies our board diversity policy. The Board aims to maintain at least the current level of female representation, while such goal has been achieved during the Reporting Period, with gender equality as the ultimate goal. If suitable candidates are identified in the future, the Board will continue to seek opportunities to increase the proportion of female members.

The Board also recognizes the importance of diversity at the workforce level. As of 31 December 2025, 64.7% of the Group's employees were male and 35.3% were female. The Group is committed to increasing the proportion of female Board members and workers as far as possible in the future, taking into account gender diversity in the recruitment process. The Company will continue to adopt measures to promote gender diversity at all levels, including but not limited to the Board and senior management, and to develop a pipeline of potential successors to the Board by developing a pipeline of female middle and senior management.

The Nomination Committee has adopted a nomination policy which sets out a set of nomination procedures and selection criteria for Directors. The Nomination Committee shall evaluate and select candidates based on the criteria by reference to character and integrity, business experience relevant and beneficial to the Company, qualifications including professional qualifications, skills and knowledge that are relevant to the Company's business and corporate strategy, willingness to devote adequate time to discharge duties as a member of the Board and other significant commitments, present needs of the Board for particular expertise, skills or experience and whether the candidates would satisfy those needs, requirement for the Board to have independent Directors in accordance with the Listing Rules and whether the candidates for independent Directors would be considered independent with reference to the independence guidelines set out in the Listing Rules and the board diversity policy and any measurable objectives adopted by the Nomination Committee for achieving diversity on the Board. The nomination procedures of the Directors are as follows: the nomination committee shall first propose and consider a list of candidates for Directors, which shall then be submitted by the committee to the Board for review.

The Nomination Committee held one meeting to review the structure, size and composition of the Board, the nomination of new executive Directors and independence of the new independent non-executive Director and to make recommendations to the Board.

RISK MANAGEMENT AND INTERNAL CONTROLS

Review of Risk Management and Internal Controls

The Board acknowledges that it is responsible for maintaining sound and effective risk management and internal control systems and reviewing their effectiveness. The Company's risk management and internal control systems provide a comprehensive and organized structure with clearly defined scopes of responsibilities, authorities and procedures. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Company has its internal auditing function, which is a designated risk management and internal control team (the "**team**") responsible for identifying and monitoring the Company's risks and internal control issues and reports directly to the Board of any findings and follow-up actions. The Board receives regular updates from the senior management and reviews the Group's business plan, financial results, investment strategies and business indicators to ensure that the business risks are identified and managed. The senior management supervises the Group's business performance on an on-going basis via regular meetings with respective departments and project teams, to identify potential risks and develop strategies to address the risk. The Group monitors a wide range of indicators, such as game statistics, player feedbacks and employee turnover rate, and responds promptly if any risk indicators arise. The Group also works with external legal, accounting and other professional advisers as required to ensure that it is in compliance with relevant legislation and regulations. All departments of the Company are required to adhere to the Company's internal control procedures and report to the team of any risks or internal control issues. The Audit Committee of the Board also reviews the Company's financial controls, risk management and internal control systems on a regular basis.

The Board has received confirmation from the management that in respect of the year ended 31 December 2025:

- the financial records have been properly maintained and the financial statements give a true and fair view of the operations and finances of the Group; and
- the risk management and internal control systems of the Group are effective.

Based on the framework for risk management and internal control systems established by the Group, the Board and the Audit Committee considered that, through the annual review of risk management and internal control systems of the Group, it can evaluate and improve their effectiveness and resolve material internal control defects. The Board, with the concurrence of the Audit Committee, considered that the Company's internal control systems, including financial, operational and compliance, were effective and adequate for the year ended 31 December 2025 based on the work performed and report prepared by the team as well as the confirmation letter received by the management. The Company will perform ongoing assessments to update all material risk factors on a regular basis. In any case, review of risk management and internal control systems by the Board will be conducted annually.

Procedures and Internal Controls for the Handling and Dissemination of Inside Information

The Board conducts regular review and assessment of inside information, discusses with the management or authorized persons of the Company about disclosure of inside information, reports to the Board once identified any inside information for dissemination.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2025.

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

The statement of the independent auditors of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditors' Report on pages 150 to 154 of this annual report.

DIVIDEND POLICY

The Company has adopted a dividend policy which is in accordance with the relevant provisions of the Articles of Association. Pursuant to the dividend policy, the Company may from time to time declare dividends in any currency to be paid to the members of the Company but no dividend shall be declared in excess of the amount recommended by the Board. No dividend shall be declared or payable except out of the profits and reserves of the Company lawfully available for distribution, including share premium. No dividend shall carry interest against the Company. The Company may distribute dividends by way of cash or by other means that the Board considers appropriate, based on various factors such as the Company's results of operations, cash flows, financial condition, statutory and regulatory restrictions on the payment of dividends, capital requirements, future business plans and prospects and other factors that may be relevant. Assuming there is no material adverse events affecting these factors, the Company intends to adopt a stable general annual dividend policy and will continue to re-evaluate its dividend plan in light of its operation needs, earnings, financial condition, working capital requirements and future business plans as the Board may deem relevant at such time.

TAX RELIEF

The Directors are not aware of any tax relief available to the Shareholders by reason of their holding of the Company's securities.

EXTERNAL AUDITOR AND AUDITOR'S REMUNERATION

The remuneration paid/payable to the external auditor of the Company in respect of audit services for the year ended 31 December 2025 and non-audit services for the year ended 31 December 2025 (being the interim review for the six months ended 30 June 2025 of the Group's financial results) amounted to RMB2.3 million and RMB0.6 million, respectively.

Details of the services and fees of the external auditors are set out below:

	2025 RMB million	2024 RMB million
Audit services	2.3	2.7
Non-audit services		
Interim review	0.6	0.6
Other services	—	—
Total	2.9	3.3

JOINT COMPANY SECRETARIES

Mr. Wu Jieran has been appointed as a joint company secretary of the Company with effect from 26 September 2023.

Ms. Ng Ka Man was appointed as another joint company secretary of the Company with effect from 28 March 2022 and resigned as the joint company secretary of the Company on 28 February 2026. On the same day, Mr. Chan Yik Pun was appointed as the joint company secretary of the Company and he shall assist Mr. Wu Jieran to discharge the duties as a company secretary of the Company.

Ms. Ng Ka Man and Mr. Chan Yik Pun's primary contact person at the Company is Mr. Wu Jieran, the other joint company secretary of the Company.

They all have taken no less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

SHAREHOLDERS' RIGHTS

To safeguard shareholder interests and rights, separate resolution should be proposed for each substantially separate issue at general meetings, including the election of individual Director. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

Convening an Extraordinary General Meeting

Pursuant to article 12.3 of the Articles of Association, extraordinary general meetings shall also be convened on the written requisition of any two or more members deposited at the principal office of the Company in Hong Kong specifying the objects of the meeting and signed by the requisitionist(s), provided that such requisitionist(s) held as at the date of deposit of the requisition not less than one-tenth of the voting rights, on a one vote per share basis, which carries the right of voting at general meetings of the Company.

Putting Forward Proposals at General Meetings

There are no provisions in the Articles of Association or the Cayman Islands Companies Law for Shareholders to move new resolutions at general meetings. Shareholders who wish to move a resolution may request the Company to convene a general meeting in accordance with the procedures set out in the preceding paragraph.

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board of the Company, Shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Contact Details

The contact details of the Company are as follows:

Address: 17/F, Qianhai Shimao Finance Centre II, No. 3040 Xinghai Avenue, Nanshan Street,
Qianhai Shenzhen-Hong Kong Cooperation Zone, Shenzhen, PRC
Tel: 755-26694354
Email: IR@weile.com

For the avoidance of doubt, Shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company is committed to safeguarding the interests of our Shareholders and believes that effective communication with Shareholders and other stakeholders is crucial to strengthening investor relations and promoting understanding of our business performance and strategies. The Board has adopted a shareholder communication policy with an aim to ensure that Shareholders and potential investors of the Company have timely access to comprehensive, consistent and easily understandable information about the Company. This enables the Shareholders to exercise their rights with knowledge, and also allows them and potential investors to engage actively with the Company. The Company has a dedicated team responsible for the management of investor relations. The Company places great emphasis on website development and adheres to the information disclosure requirements of the Stock Exchange, ensuring timely and accurate information disclosure and the release of various business updates and data. The Company continuously improves its website pages in accordance with the latest regulations of the Listing Rules, enabling investors to keep abreast of the Company's latest developments. The Company maintains a website at www.jiaxianghudong.com as a communication platform with Shareholders and investors, where the financial information and other relevant information of the Company are available for public access. The Company also maintain dialogue with Shareholders through general meetings. At the general meetings, relevant representatives of the Company attend and answer Shareholders' questions.

The Company has reviewed the implementation and effectiveness of its shareholder communication policy for the year ended 31 December 2025. Based on the current management policy and the investor relations website at www.jiaxianghudong.com, the Company believes that its shareholder communication policy has been effectively implemented.

Investor Relations Contacts

The Company values feedback from Shareholders, investors and the public. Enquiries and proposals are welcome and can be put to the Company by emailing ir@weile.com.

The latest investor relations information is available at the Company's investor relations portal at www.jiaxianghudong.com.

CONSTITUTIONAL DOCUMENTS

For the year ended 31 December 2025, the Company has not made any changes to its Articles of Association. On 30 March 2026, the Board resolved to propose (i) to make the Proposed Amendments to the Existing M&A in order to bring them in line with the amendments made to the Listing Rules; and (ii) to adopt the Amended M&A incorporating and consolidating all the Proposed Amendments, in substitution for, and to the exclusion of, the Existing M&A. The Proposed Amendments and the proposed adoption of the Amended M&A are subject to the consideration and approval by the Shareholders by way of a special resolution at the forthcoming annual general meeting to be convened by the Company and shall be effective thereupon. For details, please refer to the section headed "Events after Reporting Period" of this annual report.

Environmental, Social and Governance Report

BOARD STATEMENT

The Board of Directors (the “**Board**”) of Homeland Interactive Technology Ltd. and its subsidiaries (“**Homeland Interactive**”, the “**Group**”, “**we**” or “**us**”) acts as the highest level of responsibility and decision-making institution for environmental, social and governance (“**ESG**”) issues, bears the ultimate responsibility for the Group’s ESG strategy and information disclosure, and monitors all ESG-related matters that may affect the Group’s business operations or development. The Board appoints senior management to identify and assess the ESG risks relating to the Group, in order to ensure that the Group has appropriate and effective ESG risk management and internal control systems, and to report to and review with the Board the progress made in achieving the relevant ESG goals. For more details, please refer to the section “ESG Governance”.

The Group values the suggestions and opinions of various stakeholders and ensures sufficient channels to communicate and exchange with key stakeholders, so as to discuss and identify the Group’s important ESG issues and the ESG risks it may face, and to continuously improve its strategies and measures related to ESG. For more details, please refer to the section “Stakeholder Engagement”.

The Board together with all directors guarantee that the information contained in this ESG report (the “**Report**”) does not include any false statements, misleading representations or material omissions, and accept responsibility as to the truthfulness, accuracy and completeness of the Report. This Report discloses in detail the progress and effectiveness of the Group’s ESG efforts in 2025 and commits to make every effort to ensure that all data presented in this report is accurate and reliable and is managed through the establishment of internal controls and a formal review process. This Report has been confirmed and approved by the Board on 30 March 2026.

1. ABOUT THIS REPORT

1.1 Report Overview

Homeland Interactive is pleased to present the sixth Environmental, Social and Governance Report of the Group. This Report fully discloses the ESG overall strategies, implementation measures, governance achievements and various environmental and social key performance indicators (“**KPIs**”) of the Group in 2025, allowing stakeholders to further understand the ESG effort of the Group.

1.2 Reporting Scope and Period

This Report discloses the overall ESG performance of the Group for the period from 1 January 2025 to 31 December 2025 (the “**Year**” or the “**Reporting Period**”), showcasing the sustainability strategy, approach and performance of the Group to its stakeholders. Unless otherwise stated, the reporting scope of this Report covers the Group’s business operation in the People’s Republic of China (the “**PRC**”).

1.3 Reporting Standards and Principles

This Report has been presented in accordance with the mandatory disclosure requirements and the “comply or explain” provisions of Appendix C2 Environmental, Social and Governance Reporting Code (the “**Code**”) to the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), and in accordance with the following four reporting principles:

Materiality	This Report has identified and assessed ESG issues that are material to our business, internal and external stakeholders, and the disclosures in the report have responded to the results of the materiality assessment.
Consistency	The statistical and calculation methodologies used for information disclosure in this Report are consistent with those of last year. Any changes will be clearly stated in this Report.
Quantitative	The statistical standards, methodologies, assumptions, calculation tools and source of conversion factors used, for the reporting of KPIs and related data, are stated in this Report.
Balance	This Report provides an unbiased picture of the Group’s performance and avoids selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by its readers.

1.4 Source of Information

The information and data cited in this Report is sourced from the Group’s official documents, statistical reports, internal statistics and relevant public information.

1.5 Access of this Report

As part of the Group’s Annual Report, this Report has been prepared in both English and Chinese, and is available on the Stock Exchange’s website (www.hkexnews.hk) and the official website of the Group (www.jiaxianghudong.com). In case of discrepancy, the English version shall prevail.

1.6 Collecting Feedback

The Group considers feedback from stakeholders as important drives of our sustainability journey. Should you have any opinions on this Report or the Group’s sustainability performance, please contact us at:

Address: 17/F, Qianhai Shimao Finance Centre II, No. 3040 Xinghai Avenue, Nanshan Street, Qianhai Shenzhen-Hong Kong Cooperation Zone, Shenzhen, PRC
Email: ir@weile.com
Official website: www.jiaxianghudong.com

2. ABOUT HOMELAND INTERACTIVE

Homeland Interactive Technology Ltd. is a leading mobile game developer and operator in the PRC with a special focus on the development and operation of localized games. With its enduring product portfolio and differentiated operating strategies, the Group has successfully established a large and stable user traffic pool for its own platform. While deepening its presence in the local market, the Group is also actively expanding its overseas business, promoting product diversification and attracting more user groups. In the future, the Group will continue to launch high-quality localized games for domestic and overseas players, and while meeting the ever-changing entertainment needs of users, actively respond to industry regulatory requirements, provide users with a green, fair, healthy and progressive gaming platform, and achieve sustainable development.

In the future, we will continue to adhere to the principles of green, healthy, orderly and fair, innovation, quality, professionalism and efficiency as our foothold, take technological innovation as the core driving force for corporate development, and empower corporate development with the power of science and technology. We actively embrace cutting-edge technologies such as AI to promote intelligent business operations, improve product quality and innovation, and bring users a more efficient and convenient experience. We also attach importance to the inheritance and dissemination of traditional culture. We integrate and innovate with traditional culture in product design, generate new inspiration, and provide people with a new perspective to understand multiculturalism.

3. PRACTICING SUSTAINABLE DEVELOPMENT

3.1 Our Approach to Sustainability

The Group maintains a high level of attention to domestic and international sustainable development policies and regulations, actively responds to more demanding ESG governance and disclosure principles, and continues to practice corporate social responsibility in daily operations. The Group is committed to fulfilling its commitments and has established a comprehensive policy system to oversee our performance in environmental protection, labour practices, supply chain management, product responsibility, business ethics, and integrity. At the same time, we are committed to pioneering innovative ideas and long term, sustainable development strategies in order to provide users with better products. The Group strives to establish a sustainable life cycle for entertainment and become a green, healthy and fair online gaming platform in China that benefits our employees, players, suppliers, business partners, investors, Shareholders and other stakeholders. We continuously optimize and improve our policies and management practices in relation to various ESG domains to improve our sustainability performance, in order to bring positive impacts to society.

3.2 Sustainability Governance System

The Board bears responsibility for the Group's ESG strategy reporting, monitors the Group's ESG practices and controls the directions of its ESG strategies based on the Group's long term development strategy and position. To effectively carry out the Group's ESG-related initiatives during the Reporting Period, our senior management is authorized by the Board to monitor the Group's ESG issues, and report and provide suggestions to the Board on an annual basis, including:

- facilitating the Board in leading the management to perform ESG governance duties and supervising the design, implementation, monitoring and continuous improvement of the ESG risk management and internal monitoring system;
- continuous identification, review, assessment and management of material ESG-related risks and opportunities that may have a potential impact on the business and various aspects of the Group's business (including but not limited to climate-related risks, ESG risks along supply chain and internal control risks);
- formulating or continuously improving risk response policies and procedures for identified significant ESG risks;
- providing relevant training on domestic and international sustainable development trends, policy updates and feasible ESG risk management policies to enhance the ESG risk management system;
- monitoring and reviewing the implementation of ESG-related policies and measures to ensure that the Group's business and operations comply with laws and regulations;
- monitoring and reviewing the Group's ESG performance and progress in achieving the goals based on established environmental protection goals;
- monitoring and reviewing the Group's stakeholder communication channels to ensure effective communication with important stakeholders and establish a stable and trusting relationship;
- preparing an ESG information disclosure report to disclose the Group's annual ESG performance and submit it to the Board for approval.

3.3 ESG Risk Management

The Board undertakes the ultimate responsibility to oversee the Group's risk management activities and monitors ESG risks that are material to the Group. The Group continuously improves its risk management and internal monitoring systems by formulating a risk governance framework, implementing risk management processes and strengthening risk culture, thereby enhancing the Group's risk management capabilities and ensuring the healthy and sustainable development of the Group's business. Our risk management mechanism evaluates the risks that may prevent or endanger the achievements of our business objectives in a dynamic business environment where economics, industry, laws and regulations and operating conditions constantly change, allowing the Group to make timely responses, which lowers the ESG risks in our operation.

We have engaged an independent professional third party consulting company to assist us in identifying and assessing the ESG risks that have a significant impact on our business operations, including climate change, product quality and innovation, supply chain stability etc.. To set out the identified ESG-related risk levels, we assess the level of risks by considering both the likelihood of risks and their potential impact on the Group. During the Reporting Period, we have identified the ESG risks that may have a significant impact on the Group, and accordingly, should be addressed in our operations.

In order to manage ESG risks, the Group has formulated corresponding risk mitigation measures and emergency plans for each of the ESG risks identified and delegated related business departments to respond in a timely manner as such risks arise in accordance with the corresponding measures, striving to minimize such risks. For the details on our risk management approach, please refer to the section headed “Corporate Governance Report” of the report of the Year.

3.4 Stakeholder Engagement

The Group places much emphasis on the valuable feedbacks from stakeholders and considers them as important steps to enhance our operating performance and sustainability approach. The Group collects stakeholder suggestions through a series of communication channels and establishes a two-way communication mechanism between the Group and stakeholders, aiming to incorporate stakeholders’ diverse views on the Group and help us continuously improve our performance. The Group will continue to maintain close contact with stakeholders and actively respond to their opinions to facilitate the sustainable development of the Group.

Major Stakeholders	Expectations and Demands	Main Communication Channels
Shareholders and investors	Compliant operation Investment return Protection of Shareholders’ rights Timely, accuracy and completeness of information disclosure	Meeting of senior management Corporate communication, such as Shareholders’ letter/circular Annual general meeting and other general meeting Announcements of the Group The Group’s official website and investor relations email
Regulatory organizations	Compliant operation Product quality and safety Facilitating economic development	Work meetings Compliance report Supervision and inspection
Customers	Product quality and safety High-quality and efficient services Protecting customer privacy Performance of contract	User satisfactory survey and questionnaire Improving customer compliant handling mechanism Online customer service Social media platform Hotline Official website and email Customer service center

Major Stakeholders	Expectations and Demands	Main Communication Channels
Employees	Remuneration and benefit Career development Health and safety Occupational training Humanistic care	Employee survey Internal communication channel Performance appraisal Meeting and discussion Employee training program Employee activity
Business partners/ suppliers/ distributors	Integrity and mutual-benefit Supply chain management Performance of contract	Supplier meeting Supplier evaluation Strategic cooperation project Telephone enquiry Email enquiry
Community/ environment/NGOs	Employment opportunity Effective use of resources Supporting community development Reducing pollutant emission	Recruitment Charity donation Volunteer activity/environmental protection activity Information disclosure
Media	Accuracy, transparency, high efficiency	Press release Visit of senior management Official website Social media platform

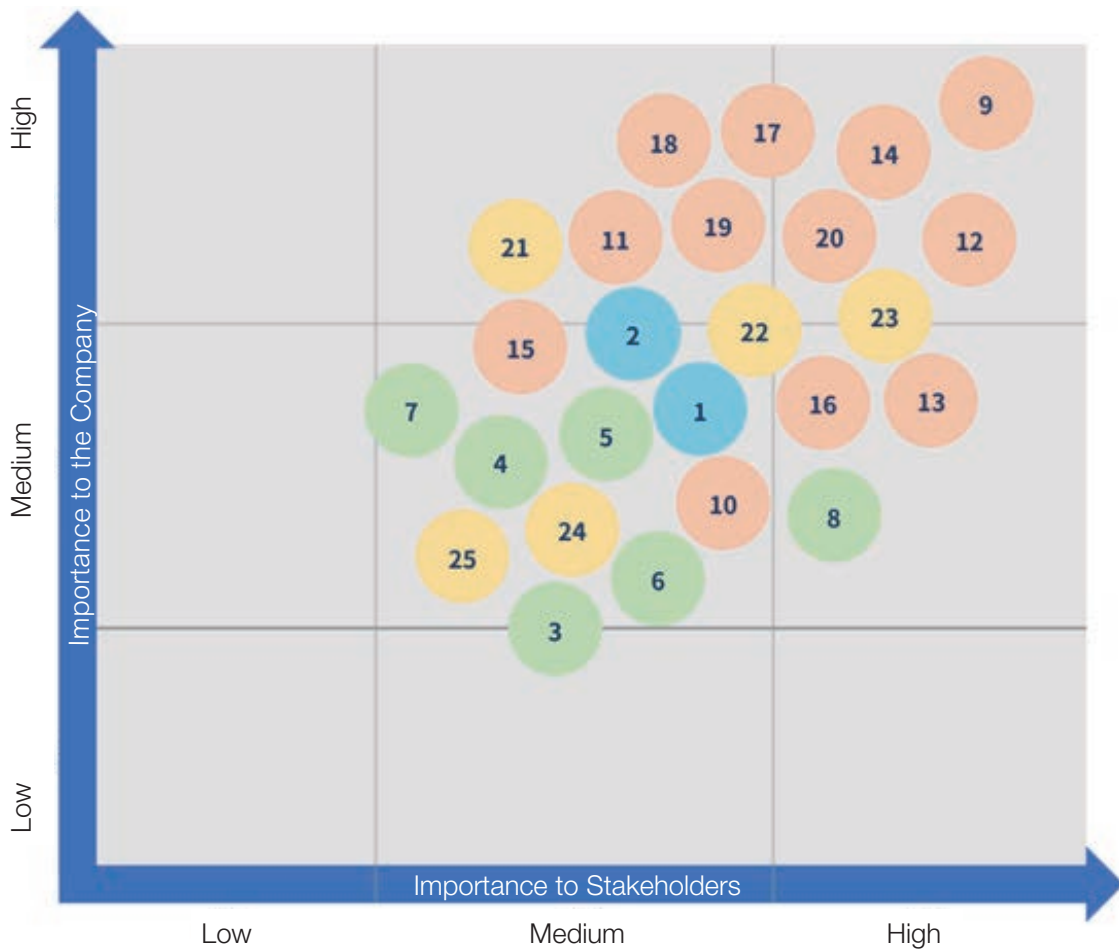
3.5 Materiality Assessment

In addition to the abovementioned ongoing communications channels, we also invited third-party professional consultants to assist in the materiality assessment during the Reporting Period. We invited key stakeholders to participate in a survey to achieve a comprehensive assessment of the materiality of ESG issues.

The following outlines the procedures of the materiality assessment of the Group's ESG issues:

- Pursuant to past and existing stakeholder communication results, the Listing Rules and the latest sustainable development trends and based on the current business of the Group, we identified material issues for the Year under the four aspects of environment, employee, product and society;
- Key stakeholders were invited to participate in a survey by way of questionnaire to rate identified issues;
- We prioritized identified issues for analysis based on results of the survey.

The results of the materiality assessment of the Year are set out in the following materiality matrix:



Society	Environment	Product	Employee
1 Society contribution	3 Air emissions management	9 Product quality and safety	21 Employee benefit and attracting talent
2 Charity investment	4 Greenhouse gas ("GHG") emissions management	10 Risk evaluation and governance	22 Employee training and occupational development
	5 Waste management	11 Responsible investment	23 Employee health and safety
	6 Energy consumption and management	12 Intellectual property management	24 Employee compliance
	7 Non-renewable resources consumption and management	13 Quality customer service	25 Employee diversity, equality and inclusion
	8 Climate change response	14 Sustainable supply chain management	
		15 Industrial cooperation and ecology building	
		16 Business ethics and anti-corruption	
		17 Information security and protection of trade secret	
		18 Research and development and technological innovation	
		19 Anti-gambling	
		20 Anti-addiction	

4. INTEGRITY AND COMPLIANCE OPERATION

4.1 Anti-Corruption and Integrity Building

The Group is deeply aware that adherence to business ethics and integrity is the cornerstone of sustainable development and the key to maintaining brand image and long-term value. During the Reporting Period, the Group strictly complied with the Criminal Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China and other relevant laws and regulations, adopted a "zero-tolerance" attitude towards any form of bribery, extortion, fraud and money laundering, and established a rigorous compliance management system. Thanks to such efforts, the Group did not record any material cases involving violations of anti-corruption and anti-fraud laws and regulations during the Reporting Period, and its overall operation maintained sound progress in compliance with laws and regulations.

To deeply integrate integrity requirements into daily management, the Group has built a strong defense line through multiple measures. We have explicitly included integrity clauses in employees' employment contracts and refined codes of conduct through the Employee Handbook, strictly prohibiting employees from offering or accepting improper benefits, kickbacks or engaging in insider trading under any circumstances, and resolutely preventing acts of seeking personal gains using corporate information. The Handbook also clearly defines various violations and draws an insurmountable "code of conduct redline" for employees, ensuring that every member remains vigilant at all times and adheres to professional ethics.

Meanwhile, the Group has established a closed-loop management mechanism of "prevention-supervision-accountability" to ensure effective implementation of the system. We have set up a dedicated reporting mailbox and hotline to encourage internal and external stakeholders to supervise violations, and undertake careful, confidential handling and thorough investigation of all reports. For verified violations, the Group will impose serious accountability according to the severity and consequences; those with serious circumstances will be transferred to judicial authorities in accordance with the law. In addition, to foster a corporate culture of "integrity for all", the Group has continuously strengthened business ethics education, with special training arranged for the Board and senior management. During the training, the Board and senior management conducted in-depth study of relevant legal provisions and analyzed risks based on typical cases, aiming to enhance compliance awareness from top to bottom and jointly foster a clean and healthy workplace environment.

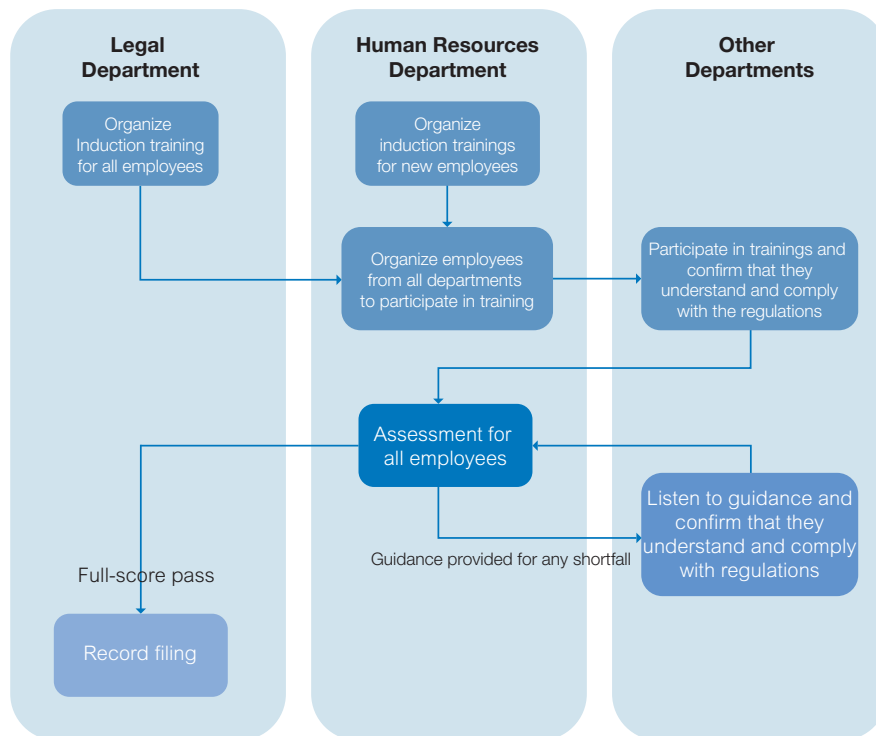
4.2 Holding the Bottom Line: Resolutely Eliminating Gambling and Building a Green Ecosystem

Based on the business nature of the Group's game products, we have always regarded "anti-gambling" as a top priority of corporate social responsibility and firmly committed to maintaining a healthy and green online entertainment environment. We strictly ensure that all game products under the Group are positioned as "green card and board games", with core gameplay strictly replicating offline legitimate entertainment models. The product design does not contain any gambling functions, nor does it provide any convenience or special channels for gambling activities.

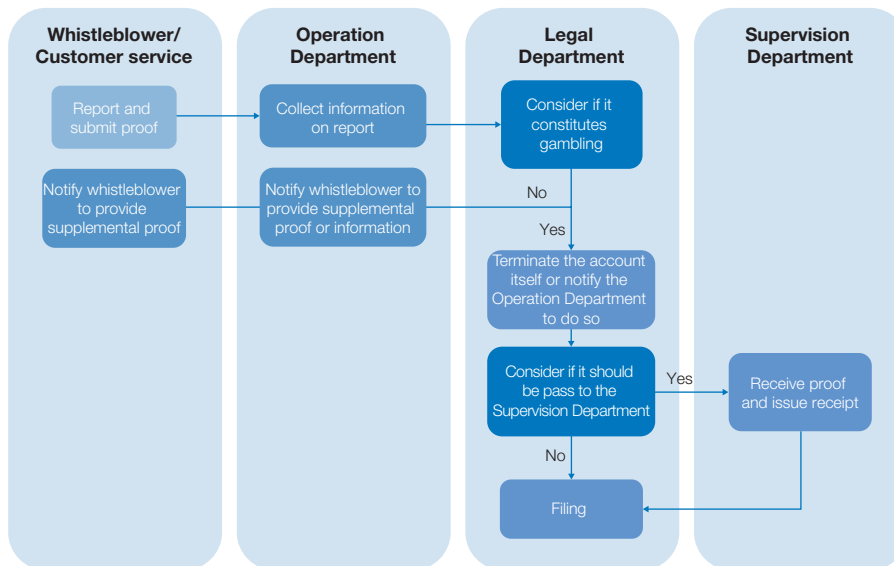
To institutionalize and systematize this commitment, the Group has specially updated the Anti-Gambling Management Policy and identified more than ten anti-gambling measures, establishing a dual control mechanism covering product operation and employee conduct. For the product side, we thoroughly identified risk points in the game environment where gambling may breed, and accordingly issued the Anti-Gambling Configuration Description, elaborating anti-gambling technical measures and management logic, and published the description on the official game websites to ensure openness and transparency of the Group's anti-gambling principles. For the employee side, we have explicitly incorporated anti-gambling provisions into the Employee Handbook, strictly prohibiting employees from engaging in or assisting any form of gambling activities. Through this management system featuring "rules first and dual-pronged approach", we are committed to eliminating gambling risks at the source and adhering to the lawful and compliant operational bottom line.

External	• Frequent system-loop messages are released in the game to remind all players that "trading virtual currency and gambling in games are strictly prohibited"; • Setting a daily limit on the total top-up amount for each account in our game, and if the recharge reaches a certain limit, the account will not be able to be recharged in any way on that day; • Setting a cap on the total amount of virtual currency that each account can win or lose in all games per day; • Establishing a whistleblowing mailbox for reporting suspected irregularities, with timely follow-up actions taken; • Prohibiting players from trading or transferring virtual currency, censoring words such as "virtual currency trading and selling", and blocking messages related to in-game currency trading or selling. If related messages are identified, corresponding accounts will be terminated, and serious cases will be reported to the public security bureau; • Conducting regular anti-gambling reviews, with a designated risk control team inspecting our game products in accordance with the "Anti-gambling Management System"; • Customer service staff receive and respond to player complaints. For example, if a user reports an account that resells virtual currency and provides relevant screenshots, the administrator will immediately block the reported account and deduct all virtual currency. • If illegal cases are suspected, we will take immediate remedial action and appropriate legal actions.
Internal	All employees: • shall not organise or participate in gambling in the name of the Group or provide facilities such as settlement and payment for gambling; • shall not participate in any gambling game with his/her own gaming account; • shall not use his/her working status or his/her official position to de facto participate in gambling games, make illegal profits or provide facilities for gambling; • shall not impede the Group's investigation of violations by players or other suspected parties, and shall not conceal, falsify or modify the contents of evidence submitted by the investigated parties; • shall not use their official position to sell virtual currency or props in the game, directly or indirectly, by any means; • shall not engage in other behaviours that may be considered as gambling. New employees: • must participate in induction or thematic compliance training to learn the requirements of the "Anti-gambling Management System" in depth; • must pass the assessment set for the contents of the gambling prevention training before signing a contract of employment and commencing work.

The Group's Legal Department is responsible for promoting the "Anti-gambling Management System" to all employees on a regular basis, organizing corresponding training sessions and assessments on a quarterly basis, and requesting employees to participate in the relevant assessment of the "Anti-gambling Management System". This measure aims to ensure that employees receive timely training and assessment upon joining the Company. The specific procedures are as follows:



To give full play to the power of user supervision, the Group has set up convenient and prominent gambling reporting entry points in all of its game products. Players may access the reporting channel with one click through the customer service window, and submit illegal clues clearly and efficiently in accordance with system instructions. Meanwhile, the Group has established a rigorous handling mechanism for violations. Relevant departments strictly implement information inspection and screening procedures to ensure daily review of user feedback. Once clues involving or suspected of illegal activities such as gambling and trading in-game items are detected, the system will trigger an immediate alert and forward the relevant information to the legal department for professional analysis and in-depth follow-up without delay. Through this full-process closed-loop management covering “report acceptance — clue screening — legal intervention — follow-up handling”, we ensure that our zero-tolerance attitude towards violations is effectively implemented, and duly maintain a clean and fair gaming environment. The specific procedures are as follows:



4.3 Product Compliance Review

The Group fully understands the far-reaching impact and significance of product compliance on the sustainable development of its business, the stabilization of its brand image and the enhancement of player recognition. We conduct a comprehensive compliance review of game products, with the collaboration of the Legal Department and a team of external lawyers. The review covers the entire life cycle of the product before and after launch and daily operations, and we regularly issue compliance reports for each product.

Before the launch of games	The Legal Department and external lawyers log into the game as players and conduct compliance reviews on various game interfaces, functions, material displays, etc. If any problems are found, the responsible team will be asked to make corrections in a timely manner.
After the launch of games	The Legal Department will conduct compliance reviews of game content and materials every week. If game features need to be updated, adjusted, or added, the Legal Department and external lawyers will intervene in advance to conduct compliance reviews.
Product management	The Legal Department requires the Operations Department to compile and submit reports on new product features and R&D objectives every month, and the R&D Department to compile and submit reports on new product features and R&D objectives every quarter, conduct overall compliance reviews, and archive relevant information.
Product compliance report	An external team of lawyers is engaged to issue quarterly product compliance reports covering the requirements of each channel.
In-game whistleblowing	All of the Group's games are equipped with convenient whistleblowing channels. If any whistleblowing information is received, customer service will report it in a timely manner for assessment by the Legal Department; if the whistleblowing information involves illegal content, the Legal Department will deal with the illegal information in a timely manner, and take measures such as banning illegal accounts and reporting illegal clues to properly handle the whistleblowing case.

In response to the compliance risks that may be involved in the games, the Group has formulated the “Product Red Line Compliance Checklist” to conduct strict compliance testing on all its games, which has been refined into eight major categories. The testing standards for the eight core categories have been finalized at the current stage:

Product Red Line Compliance Module Checklist

No.	Compliance Testing Category
1	☐ Basic Qualification Check
2	☐ Channel Listing Display Check
3	☐ Initial Installation Privacy Pop-up Check
4	☐ Login Interface Compliance Check
5	☐ User Profile and Social Function Check
6	☐ Leaderboard Function Check
7	☐ Core Gambling Risk Investigation
8	☐ Redemption Function Compliance Check

5. FULFILLING PRODUCT RESPONSIBILITY

5.1 Operations Management: Strengthening Internal Control Effectiveness and Enhancing Operational Resilience

The Group has continuously optimised its corporate governance and internal control system, integrating risk prevention throughout the entire business operation process. By steadily improving the compliance control framework, streamlining office procedures and refining internal management mechanisms, we have effectively mitigated potential risks in operations and ensured efficient collaboration and stable performance of the business. Such solid fundamental management has laid a robust institutional foundation for the Group’s sustainable development.

Notably, given the Group’s business model focusing on mobile card and board game operations, our products constitute pure digital services. Therefore, unlike physical manufacturing industries, our operating model inherently does not involve the recycling or recall of physical products.

5.2 Commitment in Game Development: Compliance as the Foundation, Technology-Driven Quality Upgrade

The Group has always regarded compliant operation and user protection as the lifeline of business development. On the basis of strict compliance with national laws and regulations concerning cybersecurity, data protection and industry supervision, we have established a rigorous management system covering the entire game lifecycle, committed to building a safe, orderly and healthy digital entertainment environment. During the Reporting Period, the Group maintained valid game publication approvals issued by the National Press and Publication Administration and the Value-Added Telecommunications Business Operation Permit, ensuring the lawful and compliant conduct of business, and did not record any material violations relating to user privacy, product safety or advertising.

In product development and operation, we adhere to a high-quality development strategy. Strict quality gates are set at every stage, from project initiation and market research to programming development and internal testing. In particular, during the Reporting Period, we actively embraced technological transformation and deeply integrated cutting-edge technologies such as AI into core processes including game development, testing, review and optimisation, significantly enhancing iteration efficiency and product quality. Following game launch, we continuously tracked player behaviour and feedback through data collection and intelligent monitoring, and applied AI technologies for information filtering and environment purification, identifying and resolving issues in a timely manner to ensure continuous optimisation of gaming experience and a harmonious and healthy ecosystem.

5.3 User Complaint Handling

The Group has always taken “creating value for users” as its core business philosophy, and deeply recognises that excellent customer service is not only a bridge for delivering value but also a direct reflection of corporate care. On the basis of strict compliance with the Consumer Rights Protection Law of the People’s Republic of China and its implementing regulations, we have established a comprehensive and multi-layered user rights protection mechanism, dedicated to conveying respect and trust at every touchpoint.

To ensure an efficient and standardised service system, the Group has formulated and continuously improved a series of normative documents such as the “Customer Service Centre Complaint Management System” and “Regulatory Customer Complaint Handling Compliance Guidelines”, aiming to integrate compliance requirements into service details. We adhere to a people-oriented approach and are committed to providing “caring service”. By optimising response processes and enhancing service professionalism, we ensure that user enquiries and demands are handled promptly, properly and humanely, thereby continuously improving user satisfaction and sense of gain.

Our procedures of handling complaint are as follows:

Organize and review complaints	Designated team will regularly check its corporate account and applications every day, collect complaints and immediately pass to the head of customer service.
Determine complaint type	The customer service team classifies the complaints based on their content. They are generally classified into minor, major and substantial complaints.
Resolve complaints	We will contact players to understand the cause of such complaints and reply within 24 hours. For minor complaints, the customer service department will decide the handling method and reply. The handling of important and major complaints requires coordination with other departments and the final processing results must be synchronized.
Processing results and records	Once we reach a consensus with players and complete the complaint handling processes, the Customer Service Center will close the case and file the record of the results.

In addition, with regard to the supervision of customer complaint handling, we have clarified the main duties that customer complaint handling personnel should perform:

- Formulate relevant guidelines and systems for the Group's customer complaint compliance handling, and support and supervise the implementation of other departments;
- Prepare a regulatory customer complaint log to record and organize relevant information on the handling of regulatory customer complaints;
- Conduct monthly, quarterly and annual review and summary of regulatory customer complaints;
- Properly handle all types of regulatory customer complaints to avoid escalation of disputes;
- Handle relevant complaints and reports from regulatory authorities, and take on-site notes or prepare situation reports according to the requirements of regulatory authorities;
- Pay attention to relevant laws and regulations, update and interpret them in a timely manner, and organize relevant departments to conduct customer complaint handling training and learning.

We continue to improve our customer service level and strive to build a customer service team with high professionalism. We arrange all-round training for our customer service staff, including induction training and on-the-job training, with topics including but not limited to service standards and good examples, sharing of cases of daily business problems, and operation and use of customer service system, to enhance the overall quality of service. At the same time, we have set up a customer service excellence award mechanism to recognise and reward those who are dedicated to customer service and have received praise from customers for their excellent performance.

During the Reporting Period, the Group received a total of 376 complaints from players, all of which were handled in a timely manner and resolved appropriately.

5.4 Protection of Minors

The Group recognizes its responsibility to safeguard the physical and mental health of our players, particularly the protection of minors, and is committed to creating a healthy online environment, providing effective player protection and positive value guidance. We are constantly improving our player protection measures, implementing the Regulations on the Protection of Minors in Cyberspace, Provisions on Online Protection of Children's Personal Information, the Notice of Preventing Minors from Becoming Addicted to Online Games and other industrial laws and regulations. We implement strict control mechanisms, and test the effectiveness of the control mechanisms with increased inspection frequency, carrying out regular monthly reviews across all products to ensure the sustained and effective operation of the systems.

Control Mechanism	Enforcement
Real-name Registration System	- All games of the Group are equipped with real-name authentication system. We require players to complete real-name registration procedures by providing their names and identification numbers during their registration; - Certain games also require linking their accounts to social media with real-name registration for login.
Anti-addiction Real-name Registration System	- All games of the Group are connected to the Anti-addiction Real-name Registration System of the National Press and Publication Administration; - Online gaming services may only be provided to minors from 20:00 to 21:00 every day on Fridays, Saturdays, Sundays and statutory holidays; - Payment services for games shall not be provided to users under the age of 8; for users aged 8 to 16, the single recharge amount shall not exceed RMB50, and the cumulative recharge amount per month shall not exceed RMB200; for users aged 16 to 18, the single recharge amount shall not exceed RMB100, and the cumulative recharge amount per month shall not exceed RMB400;

The Group has always regarded the protection of minors as a top priority of its corporate social responsibility. We strictly comply with the requirements of the Notice of the National Press and Publication Administration on Further Strengthening Management to Effectively Prevent Minors from Online Game Addiction, firmly uphold the operation philosophy of "Green Games, Healthy Games", and are committed to building a clean and safe online growth space for young people.

In terms of implementation, we have adopted a strict access mechanism and resolutely implemented the real-name authentication system. We strictly prohibit providing game services to users who have not completed real-name authentication, and clearly stipulate that all card and board games as well as fishing games under the Group are only open to users aged 18 and above. Meanwhile, we actively implement the relevant requirements of the "Online Game Parental Control Project for Minors". We not only publicise the application procedures for parental control services in a prominent position on the official game websites, but also provide parents with convenient account supervision tools. This mechanism is designed to assist guardians in effectively managing minors' game duration and behaviour, guide them to develop healthy gaming habits, and effectively prevent the risk of addiction.

Looking ahead, the Group will continue to take a high sense of social responsibility as its mission, continuously optimise protection technologies and management measures, further strengthen the protection of minors, and strive to create a healthy, balanced and valuable digital entertainment environment for young users.

5.5 Information Security Protection

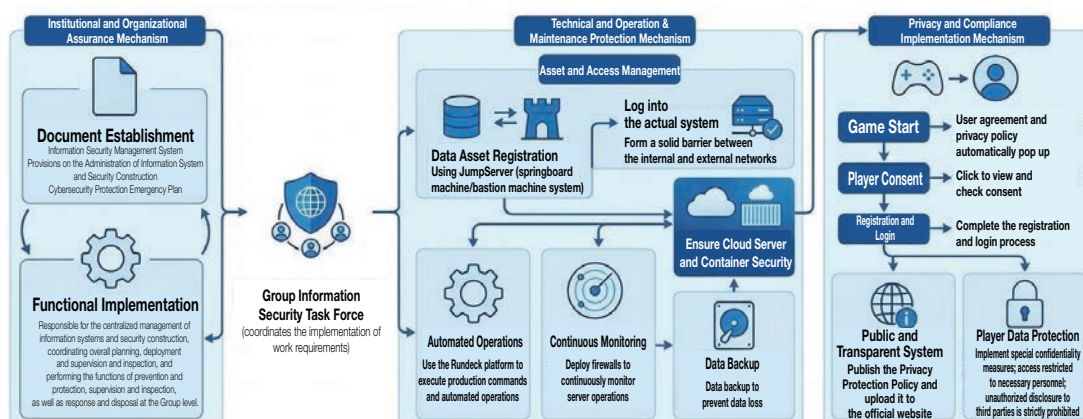
The Group is deeply aware that network and data security constitute the cornerstone of digital trust and the fundamental prerequisite for safeguarding users' rights and interests. Adhering to the principles of lawfulness, compliance, comprehensive control and effective implementation, we have established a comprehensive network security control system to defend against cyberattack risks and ensure that the Group's trade secrets, player and user data and other important information are free from unauthorised access or malicious attacks. Throughout the product lifecycle, we continue to place the protection of user privacy at the core. We strictly comply with the Personal Information Protection Law of the People's Republic of China and internal network data security management principles. We strive to collect only the minimum necessary user information in business operations to avoid excessive collection. Through proactive disclosure of our personal information protection policy, we elaborate on the purposes, methods and scope of information use to safeguard users' right to know and right to choose.

5.5.1 Core Management and Technical Protection Mechanisms

To ensure the implementation of the above commitments, the Group has established a dedicated information security task force to coordinate the implementation of various work requirements, and has set up the following three core mechanisms:

- **Institutional and Organizational Assurance Mechanism:** We have formulated the Information Security Management System, the Provisions on the Administration of Information System and Security Construction, and the Cybersecurity Protection Emergency Plan. The information security task force is responsible for the centralized management of information systems and security construction, coordinating overall planning, deployment, supervision and inspection, and performing the functions of prevention and protection, supervision and inspection, as well as response and disposal at the Group level.
- **Technical and Operation & Maintenance Protection Mechanism:** We have adopted JumpServer (a springboard machine/bastion machine system), which requires all data assets to be registered in JumpServer before accessing the actual systems, forming a solid barrier between the internal and external networks. Meanwhile, in conjunction with the Rundeck automation platform and the self-developed server-side code release system (Ruixue Server Release), we conduct command execution and automated operations in the production environment. Firewalls are deployed to continuously monitor server operations, and data backup is adopted to effectively prevent data loss and ensure the security of cloud servers and containers.
- **Privacy and Compliance Implementation Mechanism:** The user agreement and privacy policy are automatically popped up on the game start-up interface, and players may only register and log in after clicking to browse and checking the consent box. At the same time, we have established special confidentiality measures for player data, which are accessible only to necessary personnel, and unauthorized disclosure to third parties is strictly prohibited.

Core Management and Technical Protection Mechanisms Process Diagram



5.5.2 Internal Compliance and Accountability Culture

We are fully aware that personal information and privacy protection is a core part of data security work. For this purpose, we require all employees to sign a confidentiality statement within one month of joining the Company, and strictly abide by the confidentiality obligations agreed in the employment contracts and the Employee Handbook. For breaches of confidentiality obligations, we will impose serious sanctions according to the severity of the circumstances, including termination of employment contracts and pursuit of legal liabilities. Employees with serious disciplinary violations will be resolutely dismissed and subject to legal proceedings. Meanwhile, we actively organize and regularly conduct company-wide trainings on cybersecurity and personal information protection, data security compliance, user information protection and the study of relevant laws and regulations to deepen employees' awareness of information security protection, and be responsible to players, employees, and the Group.

Key Points of Data Security Compliance

Data Security Technical Protection	Implement technical protection measures such as de-identification and encryption for sensitive data specifications to prevent data leakage throughout the process and ensure data security and controllability
Security Vulnerability Management	Carry out regular security vulnerability scanning and risk inspections, promptly fix vulnerabilities, and strictly guard against malicious attacks such as Trojans and worms.
Security Emergency Response	Establish a sound emergency response mechanism for data security incidents to enable rapid response and effective handling when security incidents occur.
Data Transaction Security	Data processors shall strictly comply with data transaction safety management regulations, standardize data transaction practices, and ensure compliance of data circulation
Cross-Border Management of Important Data	Fulfill approval procedures in accordance with the law when providing important data to overseas parties, eliminate unauthorized cross-border provision of important data, and strictly comply with cross-border compliance requirements.

Data Security Compliance Training Materials

The Group highly emphasizes the response to unexpected security incidents, regarding it as a critical link in ensuring business continuity and data security. We are fully aware that in the face of diverse cyber threats such as application crashes, virus attacks, hacker intrusions, database data breaches and Internet line outages, only by establishing a sound early warning and response mechanism can potential losses be effectively reduced.

To this end, the Group has continuously improved and optimised the Cybersecurity Protection Emergency Plan, striving to enhance its ability to prevent and control various types of cyber emergencies. In light of different types of emergencies, we have established detailed emergency procedures based on their nature, mechanisms and occurrence processes. The plan defines the emergency organisational structure and division of responsibilities, ensuring that in the event of a system failure or security incident, the response mechanism can be activated swiftly, effective remedial measures can be taken immediately to contain the situation, and normal business operations can be resumed as soon as possible. Through this emergency system featuring “prevention first, rapid response and effective handling”, we strive to fully safeguard the stability and security of the Group’s network environment, providing reliable support for the steady and sound development of the business.

The Group will respond in accordance with the following emergency response plan:

01 Identify emergency situations	Establish an early warning mechanism, discover abnormal situations in a timely manner through monitoring systems and abnormal logs, and take corresponding emergency measures immediately.
02 Notify the situation to relevant personnel	Promptly notify the management, technical team and security specialists to ensure key personnel are involved in incident handling at the earliest opportunity.
03 Establish an emergency response team	Quickly form a dedicated task force with clear division of responsibilities to respond to the incident rapidly and minimize business and data losses.
04 Investigate and evaluate	Evaluate the emergency situation, analyze the degree of loss, scope of impact and the root causes, and formulate preliminary solutions.
05 Handle incidents and restore	Implement the recovery plan to restore the production environment and business, while ensuring thorough testing and validation prior to restoration.
06 Review and Optimization	Conduct a comprehensive review of the entire response process, summarize experiences and lessons learned, update the emergency plan, and continuously optimize the security protection system.

5.6 Intellectual Property Protection

Intellectual property rights are the core assets of the Group in achieving sustainable development and maintaining competitive advantages in the market. We have always adhered to the principle of respecting originality. On the one hand, we attach great importance to the comprehensive protection of our own intellectual property rights; on the other hand, we strictly fulfill our legal obligations and social responsibilities of not infringing upon the intellectual property rights of third parties.

Within the compliance framework, the Group strictly abides by the Patent Law of the People's Republic of China, the Trademark Law, the Copyright Law, the Anti-Unfair Competition Law and other relevant laws and regulations, and has established a sound internal management system. We have specifically formulated the Intellectual Property Management Procedures, which cover full-chain detailed rules for the application, use, maintenance and protection of intellectual property rights. As the specialized department, the legal department is responsible for coordinating the application and layout of the Group's own game trademarks, self-developed patents and copyrights, and providing professional legal advisory support for the business, building a solid intellectual property protection network at both the institutional and implementation levels.

Talent is the core of innovation and the key to intellectual property management. During the Reporting Period, the signing rate of employee confidentiality statements within the Group reached 100%, with clear intellectual property protection provisions stipulated in the statements. Meanwhile, we have continuously strengthened employees' compliance awareness by organizing multiple professional training sessions on topics including trademark rights, copyrights, game infringement identification and unfair competition, deeply embedding a culture of respecting intellectual property rights throughout the organization.

In terms of external collaboration and user interaction, we are committed to enhancing transparency and co-governance efficiency. The Group clearly displays core intellectual property information such as software copyrights and version numbers on the registration and login pages of its games to safeguard users' right to information. We also encourage employees, users and various stakeholders to actively report any suspected infringements. Upon receiving a report, the Group will immediately establish a special investigation team for in-depth verification and follow-up.

Benefiting from the above rigorous management system and a culture of full-staff co-governance, the Group did not commit any acts infringing upon the intellectual property rights of third parties during the Reporting Period, effectively maintaining a sound market order for innovation.

5.7 Advertising Management

The Group has always regarded advertising compliance as an important manifestation of corporate integrity. We strictly abide by the Advertising Law of the People's Republic of China, the Measures for the Administration of Internet Advertising and other relevant laws and regulations, and have formulated the Advertising Management System based on actual business operations. This aims to regulate the promotion of the Group's products and services, eliminate inappropriate information such as false, exaggerated and infringing content, and build a healthy and orderly marketing ecosystem.

In terms of implementation, we have established a multi-level content review mechanism and a professional team. The Group has continued to expand its advertising content review team and set up a big data support team, maintaining close collaboration with various delivery platforms to ensure advertising strategies comply with platform rules and policy requirements. Prior to the release of promotional content, relevant departments conduct rigorous preliminary reviews. For content with uncertain wording, we implement a "second review by the legal department" mechanism to ensure the authenticity, accuracy and legality of all promotional materials, and strictly abide by the bottom line of not crossing legal redlines.

In supply chain management, we adhere to strict screening of advertising suppliers and clearly stipulate promotion requirements and confidentiality obligations in contracts. This not only ensures the integrity of promotional materials but also effectively prevents the risk of sensitive information leakage. Meanwhile, to safeguard the order of fair market competition, the Group regularly conducts proactive monitoring and investigation into possible infringements such as unauthorized use of the Group's advertising materials in the market. Once any violation is identified, we will immediately refer the case to the legal department for intervention and pursue legal liability against relevant parties as appropriate, firmly safeguarding the legitimate rights and interests of the Group and consumers.

5.7.1 Overseas Advertising Compliance and Governance

In the complex ecosystem of Programmatic Advertising, advertisers bear primary responsibility for the authenticity and legality of advertising content. Meanwhile, all parties involved in the advertising delivery chain, including Trading Desks (TD), Demand-Side Platforms (DSP), Ad Exchanges (ADX), and media traffic providers, shall fulfill corresponding compliance review and management obligations. The Group is committed to clarifying its own role, enhancing responsibility division and compliance collaboration with upstream and downstream partners, and has formulated targeted overseas advertising compliance strategies covering key links in the advertising ecosystem such as qualification review, material content, presentation formats, and data usage.

Key Links

Compliance Requirements and Strategies

Advertising Qualification Review	Proactively respond to differentiated qualification thresholds of international platforms (e.g., Google Ads) and key overseas markets (e.g., Saudi Arabia, Indonesia, Malaysia). For instance, advertisements for specific types of internet services shall complete platform certification; promotion in certain markets requires obtaining local licenses (e.g., the "Mouthaqua" license in Saudi Arabia) or completing information registration through local agents (e.g., mainland games entering the Taiwan region of China).
Advertising Material Compliance	Establish a strict material review mechanism to ensure content complies with local laws and regulations, and fully respects local cultural, religious and political sensitivities. Specifically includes: • Culture/Religion: Avoid using religious images or sensitive elements that may trigger disputes (especially in Southeast Asia and the Middle East). • Copyright and Logos: Ensure fonts used in advertisements possess global commercial authorization; advertisements for products with religious attributes, such as Halal, shall comply with local certification and logo specifications. • Politically Sensitive Terms: Strictly avoid high-risk content involving policy-sensitive terms and geographical expressions (e.g., claims related to the nine-dash line) to prevent public opinion disputes.

Key Links

Compliance Requirements and Strategies

Advertising Presentation Formats

Must be transparent, authentic, age-appropriate and user-friendly. The Group strictly adheres to platform rules (e.g., Google Ads), including:

- **Content Rating Matching:** The content rating of advertising materials must match the content rating of the application itself to avoid displaying inappropriate content to teenage users.
- **Avoidance of Deceptive Designs:** Prohibit misleading or intrusive designs such as fake “download buttons” or fake close icons, and eliminate false advertising (e.g., “playable ads” that are seriously inconsistent with actual user experience).
- **Transparency in Subscription and Promotion:** When promoting subscription services, prominently disclose information such as auto-renewal rules, cancellation methods and price markings. For “product recommendation” promotions, the word “Advertisement” shall be clearly marked.

Data Compliance

In the circulation of programmatic advertising data, strictly comply with data protection regulations of target markets to ensure the lawful collection, transmission and use of user behavior data and device identifiers.

Compliance practices include:

- **Clarification of Legal Roles:** Evaluate whether the Group and advertising SDK operators act as independent controllers, processors or joint controllers in data circulation.
- **Legitimate Authorization:** Ensure each data circulation node has legitimate authorization and transparent management.
- **User Rights:** Provide users with clear channels to exercise privacy rights, such as offering a convenient mechanism to “opt out of receiving advertisements” in direct marketing.

6. PRACTISING GREEN OPERATIONS

6.1 Supply Chain Management

The Group's supplier system covers key areas including payment services, cloud computing, internet data centers and advertising marketing. We deeply recognise that a stable and reliable supply chain is the cornerstone of the Group's sustainable business development. Therefore, the Group has always been committed to building long-term, solid and efficient upstream and downstream partnerships. Through the formulation of a comprehensive supply chain management system, we standardise the entire procurement process and effectively protect the rights and interests of both the Group and its partners.

In the supplier access stage, we implement a strict screening and evaluation mechanism. For potential suppliers engaged in initial cooperation, we not only focus on reviewing their professional qualifications, performance capabilities and service experience, but also incorporate their compliance status, business ethics and brand image into the comprehensive evaluation system to ensure quality at the source. For existing cooperative suppliers, the Group has established a regular evaluation mechanism conducted every six months, which includes dynamic reviews across dimensions such as price, quality, delivery capability and after-sales service. Suppliers failing to meet the evaluation criteria will be placed on a "watch list" and required to rectify within a specified time limit. For suppliers with serious violations such as fraud, we resolutely implement a "one-vote veto", immediately terminate cooperation and blacklist them, earnestly maintaining market order.

Environmental and social risk management is one of the core topics of the Group's supply chain governance. To ensure that suppliers align with our values, the Group has formulated the Supplier Code of Conduct, which serves as the bottom line and red line for cooperation. This code clearly defines the Group's expectations for partners, mainly including:

- **Compliance and Ethical Operations:** Suppliers must strictly abide by all applicable laws and regulations, including anti-corruption, anti-commercial bribery and tax compliance requirements, and uphold the business ethics of integrity management.
- **Environmental Protection Responsibility:** Encourage suppliers to adopt energy conservation and emission reduction measures, reduce their environmental footprint in operations, and jointly address the challenges of climate change.
- **Labour and Human Rights Protection:** Respect employees' rights and interests, prohibit the use of child labour and forced labour, ensure a safe and healthy working environment, and guarantee employees' reasonable remuneration and benefits.

In the future, the Group will continue to optimise its supplier management system, transforming from simple "business cooperation" to "value symbiosis", join hands with partners to jointly improve compliance capabilities and sustainable development capabilities, and achieve mutual benefit and win-win results.

The Group's Supplier Code of Conduct clearly sets out our expectations for suppliers:

Compliance Awareness	Qualification Compliance	Ensure that the services they provide are within the scope of business approved in their business license.
	Anti-corruption and Anti-bribery	Comply with the anti-corruption and anti-bribery laws and regulations and international conventions of the countries and regions where we do business and operate, uphold the standards of honesty and integrity, and prohibit any form of bribery, corruption, extortion and embezzlement.
	Anti-money Laundering	Comply with anti-money laundering laws, regulations and international conventions of the countries and regions where we do business and operate, strictly comply with the relevant regulations on anti-money laundering and anti-terrorist financing supervision, and ensure sound internal control on anti-money laundering.
	Anti-monopoly and Fair Competition	Comply with the anti-monopoly and fair competition laws and regulations of the countries and regions where we do business and operate, and resolutely not engage in price fixing, market or customer division, market segmentation, or bid manipulation with competitors.
Business Ethics	Conflicts of Interest	Proactively avoid all conflicts of interest and potential situations that could lead to conflicts of interest.
	Business Records	Comply with the laws and regulations applicable to the countries and regions where we do business and operate regarding its completeness and accuracy, and record and report all business information honestly and accurately.
	Insider Trading	Comply with the securities laws and regulations applicable to the countries and regions where business and operations are conducted, and never use non-public information obtained from business dealings to conduct stock or other securities transactions.

Intellectual Property Rights, Data Security and Privacy Protection		Comply with the laws and regulations on intellectual property protection applicable in the countries and regions where we do business and operate, and respect and protect intellectual property.
		Have a sense of confidentiality, pay attention to the protection of commercial secrets, strictly keep confidential the confidential information obtained in the cooperation, and shall not use the confidential information obtained in the cooperation for any purpose other than the cooperation.
		Comply with the applicable laws and regulations on personal privacy protection in the countries and regions where we do business and operate, respect and protect personal privacy, and take appropriate measures to prevent personal information from being disclosed or used without permission.
Environmental Protection and Sustainable Development	Environmental Protection	Comply with applicable environmental protection laws and regulations in the countries and regions where the company conducts business and operations, obtain and maintain the environmental permits or other approval documents necessary for its business, and implement corresponding environmental protection measures and disclosure requirements.
	Sustainable Development	Establish plans to set up and implement a corporate sustainability and corporate social responsibility management system, to set corresponding management objectives and to disclose information regularly.

To ensure the effectiveness of the supplier management system, the Group requires all cooperating suppliers to sign and strictly abide by the Supplier Code of Conduct, formalizing their bottom-line commitments in compliance, ethics and social responsibility in written form. The Group has established a dynamic supervision and verification mechanism to verify suppliers' actual compliance with the code through unscheduled on-site audits and facility inspections, ensuring the full implementation of all requirements.

We adopt a "graded response" disposal strategy for identified violations. For general violations, we will order the relevant suppliers to rectify within a specified time limit and verify the effectiveness of the rectification. For repeated violations or serious breaches of the Supplier Code of Conduct, the Group reserves the right to take stricter measures, including but not limited to immediate contract termination, suspension of cooperative relations, and recovery of economic losses arising therefrom. Through this rigorous accountability mechanism, we firmly uphold the bottom line of cooperation and safeguard the health and stability of the supply chain.

6.2 Green Procurement

The Group actively embraces the concept of sustainable procurement, integrating environmental protection and resource efficiency into core considerations for supplier selection and decision-making. In procurement practices, we give priority to electronic equipment with national energy labels, and tend to adopt solutions with lower energy consumption and more controllable ESG risks when selecting data storage and processing services, so as to reduce the environmental footprint at the source. Meanwhile, we vigorously advocate paperless office operations and actively promote the execution of electronic contracts across the supply chain. To date, more than 70% of the Group’s outsourcing contracts have been signed online, significantly reducing paper consumption and administrative carbon emissions. Going forward, we will continue to expand the coverage of electronic contracts and further guide suppliers to adopt paperless operations, jointly fulfilling corporate environmental responsibilities.

In terms of risk management, to ensure the stable operation of the supply chain and the efficiency of the value chain, the Group attaches great importance to the prevention and control of suppliers’ ESG risks. We have established a regular supplier ESG risk assessment mechanism to dynamically review potential risks of partners and the effectiveness of their control measures. Benefiting from our rigorous screening and monitoring system, no high-risk suppliers were identified during the Reporting Period, ensuring a healthy and robust supply chain.

We conduct risk assessments and review the effectiveness of suppliers’ control measures. During the Reporting Period, we did not identify any high-risk suppliers.

As of 31 December 2025, our supplier distribution was as follows:

Suppliers from Mainland China	Oversea Suppliers
105	35

During the Reporting Period, more than 98% of suppliers did not commit any acts in violation of the Supplier Code of Conduct.

7. BUILDING A HARMONIOUS WORKPLACE

7.1 Employment Management

Talent is the core asset for the steady development of the Group and an inexhaustible driving force for innovation and exploration. We have always adhered to the people-oriented management philosophy, committed to fostering a harmonious, warm and positive working atmosphere, building an open, inclusive and creative corporate culture, and fully safeguarding the legitimate rights and interests of every employee.

To this end, the Group has established a comprehensive human resource management system covering the full lifecycle modules of talent acquisition, compensation and performance, career development and welfare system construction, striving to provide sound management and humanistic care throughout employees’ career journey.

In terms of compliance governance, the Group strictly abides by national and local labour and social security laws and regulations, including the Labour Law, the Labour Contract Law, the Social Insurance Law and the Employment Promotion Law. Benefiting from rigorous system implementation and sound labour relations, the Group maintained a zero-violation record during the Reporting Period in all aspects including remuneration and benefits, dismissal procedures, recruitment and promotion, working hours, leave entitlements, equal opportunities and anti-discrimination, laying a solid compliance foundation for the stable operation of the enterprise.

Our human resources management strategy covers the following five aspects:

Talent Attraction	• Introduce recruitment management tools and formulate “Social Recruitment Standardization SOP” and the “Internal/External Recommendation Management System” to ensure accurate matching of positions and talents and improve talent recruitment efficiency through diversified recruitment channels and rigorous interview process; • Accumulate and operate a talent pool, build a corporate talent structure network, and continuously expand the reach of talents; • Conduct campus recruitment, cooperate with high schools to attract and cultivate new generation in the industry to build a sustainable youth talent team.
Remuneration and Performance	• Formulate the remuneration and incentive system based on factors such as the Group’s operating conditions, job position, current market salary levels, and personal performance; • Continue to apply the “Salary and Year-end Award Management System”, “Short-term Incentive System” and “Project Bonus (Dividend) Management Measures” revised in 2024, use performance evaluation results as the key basis for bonus distribution to create a fair, diverse and competitive salary and bonus system; • Adopt a comprehensive online performance management model to stimulate employees’ enthusiasm for work; • Adjust employee salaries according to the “Annual Salary Adjustment Management Measures” to attract and retain talents.
Promotion and Development	• Establish a dual-channel system of professional positions and management positions to provide employees with a clear career development path, helping employees to realize their maximum potential; • Develop a comprehensive job competency model and corresponding job grade evaluation standards, offer four types of jobs including functionality, research and development, art, and product, such that employees can be promoted and developed according to their career development path; • Conduct coaching for the core team to ensure employees understand their career development goals and formulate personalized training programs; • Develop a diversified internal training system to provide front-end and backend business training, monthly project review, art sharing sessions, AI research, online professional training and other courses etc.

Employee Lifecycle Management	• Improve the entry experience of new employees and provide orientation pack; • Carry out new employee training to help them integrate into the team, helping employees master necessary skills and complete workplace role transitions; • Conduct interviews with employees during probation to assist their growth; • Deploy human resources business partners to support and care about employees; • Comprehensively manage the entire life cycle of employees' from entry, transfer to resignation, and properly manage employee files and information; • Protect the rights and interests of employers and employees in the event of dismissal and termination of employment, and formulate the "Resignation Management System" to clearly set out the responsibilities and terms of employment of both parties.
Benefits System	• Arrange social insurance and housing provident fund for employees; • Provide annual health checkups and supplementary commercial medical insurance to take care of employees' well-being; • Observe statutory holidays in accordance with national regulations; • Provide benefits such as afternoon tea, medicine box, birthday gift, aging gift, wedding and childbirth gift, internal referral bonus, monthly employee team building, and quarterly themed activities; • Create a good working atmosphere and provide meal subsidies and snacks etc., building a comfortable and high-end work environment.

The Group is committed to building a standardized, dynamic and inclusive workplace where every employee can realize self-worth in an environment of respect and support. In terms of institutional protection, the Group distributes the Employee Handbook to all staff, which systematically sets out core contents including code of conduct, onboarding and separation management, remuneration and benefits, attendance and leave, administrative procedures as well as reward and disciplinary policies. It provides clear and transparent basic guidelines for employees' daily work and career development, ensuring standardized and consistent management.

In terms of employee care and organizational culture development, we actively foster a vibrant working atmosphere. The Group continuously organizes a variety of staff activities, which effectively enhance team cohesion and work motivation while promoting employees' physical and mental health. We uphold traditional festival culture by preparing thoughtfully designed gifts with cultural significance for important festivals such as the Dragon Boat Festival and Mid-Autumn Festival. This not only conveys the Group's warm wishes but also promotes excellent traditional culture, strengthening employees' sense of belonging and collective identity.

Regarding the core philosophy of talent management, the Group firmly upholds the principles of equal employment and Diversity, Equity and Inclusion (DEI). We strictly adhere to anti-discrimination policies and ensure that employees of different ages, races, genders, nationalities and religious beliefs receive fair opportunities and equal treatment in recruitment, remuneration, training, promotion and other aspects. In talent selection, we focus on job-related factors such as applicants' educational background, work experience, professional capabilities and personal traits, consciously building a diversified talent team and striving to create an ideal workplace where every employee is respected, supported and inspired.

Human Resources Overview

As of 31 December 2025, the Group's distribution of employees by gender, age, employee type and geographical region as well as turnover rate are outlined below:

	Number of Employees		Employee Turnover Rate	
	2025	2024	2025	2024
Total number of employees	564	604	42.02%	35.26%
By gender				
Male	365	371	48.22%	33.96%
Female	199	233	30.65%	37.34%
By age group				
Aged 21–30	250	263	40.80%	42.59%
Aged 31–40	304	331	43.4%	30.21%
Aged 41–50	10	10	10.00%	10.00%
By employment type				
Senior management	10	8	10%	12.50%
Middle management	49	51	27.27%	21.57%
General employees	505	545	43.76%	37.98%
By geographical region				
China Mainland	556	596	41.37%	35.23%
Hong Kong, China	8	8	25%	37.50%

Note: Turnover rate of employee is calculated based on the number of employees who left office in that category during the Reporting Period divided by the average number of employees in that category during the year (the average of the number of employees in the beginning and the end of the year).

7.2 Occupational Health and Safety

The Group attaches great importance to the health and safety of its employees and provides them with a comfortable working environment that ensures safety and values their physical and mental health. We strictly comply with relevant applicable laws and regulations, including but not limited to the Labour Law of the PRC, the Fire Prevention Law of the PRC, the Safe Production Law of the PRC and the Prevention and Control of Occupational Diseases of the PRC.

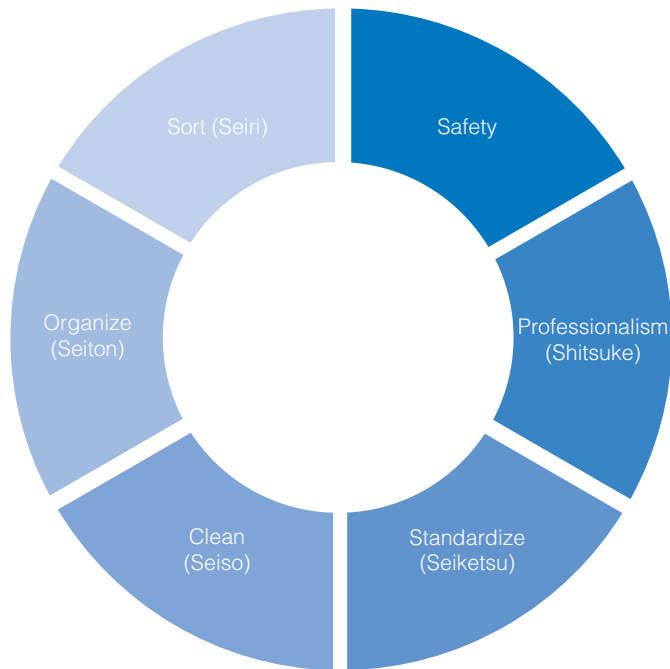
To further safeguard the security of office premises, the Group has formulated the “Office Hygiene and Safety Management System”, in which the Administration Department coordinates the effort, the heads of each department implement the measures, and all employees participate in its implementation and maintenance of office premises, with specific duties as follows:

Administration Department	• Formulate, implement and inspect safety precautions and environmental management measures in office premises; • Establish an emergency response mechanism to organize employees to avoid danger as soon as possible when natural disasters or accidents occur; • Investigate and handle safety incidents; • Support and maintain a safe, healthy and sustainable working environment in the Group; • Achieve and continuously optimize and improve environmental, health and safety compliance.
Head of Each Department	• Ensure compliance with office hygiene and safety management system by responsible departments; • Maintain a safe, healthy and sustainable working environment in the responsible departments.
All Employees	• Comply with office hygiene and safety management system; • Enhance self-awareness and quality to create a safe and hygienic office environment; • Actively report and stop any unsafe behaviors and events in a timely manner.

The Group implements management around four key aspects: occupational safety, environmental management, health management, and emergency response. We ensure the well-being of its employees in terms of both healthy office and safe office, and maintains the highest standards of occupational health and safety for the Group.

Healthy Office

The Group’s office hygiene management ensures that the office environment is clean and tidy, and eliminates adverse environmental factors in the office to ensure employees’ health and working comfort. Office hygiene management follows the “6S Standard and Management of Office Environment Hygiene”, which provides guidelines for the supervision of the Administration Department, the control of department heads and the self-inspection of all employees.



6S Standard of Office Environment Hygiene

Safe Office

Safety management of our office premises is mainly based on the two aspects of theft prevention and safety, formulating corresponding code of conduct. The Administration Department carries out effective inspections for the safety and hygiene of the office environment no less than three times a day and at irregular intervals, actively organizes employees to participate in safety awareness training to enhance the Group's safety awareness, eliminates infringement of the office premises at its roots, and maintains a good office environment and safety mechanism. If the Administration Department's inspection finds noncompliance or substandard behavior, it will impose corresponding penalties.

Anti-theft	Safety
• Important Document Management (Encrypted storage of electronic documents, archiving of paper documents, and establishment of an access registration system) • Group Keys and Passwords Management (Hierarchical issuance and regular rotation of physical keys; mandatory regular update of system passwords in line with complexity requirements) • Visitor Management (Implementation of an appointment and registration system; issuance of temporary passes after identity verification; assignment of accompanying personnel to follow up throughout the visit; restriction of access to confidential areas) • Courier Management (Establishment of a dedicated collection and delivery point to prevent dangerous goods from being mixed in) • Doors and Windows Safety Management (Installation of anti-theft facilities on doors and windows in office areas; unified inspection and closing after work) • Valuables Management (Employees shall properly keep their personal valuables; establish an account for high-value equipment provided by the company and conduct regular inventory checks) • Equipment Anti-Theft Management (Marking serial numbers on key equipment such as computers and servers; installing anti-theft locks; equipping key areas with surveillance cameras)	• Dangerous Goods Management (Strictly prohibiting flammable, explosive, toxic and other dangerous goods from being brought into the office area) • Water Management (Regular inspection of water pipes, faucets and other facilities to eliminate water leakage and waste and prevent waterlogging risks) • Electric Appliance Safety Management (Office equipment must comply with national safety standards; mandatory shutdown of non-essential electrical appliances before work; regular inspection of line aging issues) • Fire Safety Management (Formulation of fire emergency plans and regular inspection of fire-fighting equipment) • Fire Service Facility Management (Fire extinguishers, fire hydrants and other facilities shall be placed in easily accessible locations with clear signs; assign special personnel to be responsible for maintenance to ensure they are available at all times) • Network Security Management (Deployment of firewalls and intrusion detection systems; regular network security scanning and vulnerability repair to prevent network attacks and data leakage) • Data Security Management (Encrypted storage of core data such as customer information and game source codes; establishment of a data backup mechanism; strict prohibition of unauthorized copying and transmission of data) • Event Safety Management (Conduct risk assessment in advance for large-scale internal company activities or external cooperative activities; formulate safety guarantee plans; equip with first-aid personnel and materials) • Traffic Safety Management (Standardize the parking of employees' commuting vehicles and remind employees to abide by traffic rules) • Violence Risk Management (Establish an employee conflict mediation mechanism; train managers to identify signs of violence risks; ensure the personal safety of employees)

The Group's office premises are equipped with comprehensive security systems, fire safety systems and network security systems to ensure all-round safety of office premises and employees. At the same time, the Group continuously strengthens employees' awareness of fire emergency response through various forms such as distributing fire safety publicity posters, issuing safety handbooks, and pushing safety knowledge on internal platforms. In addition, when selecting cooperative suppliers, we give priority to partners with sound safety management systems, extending the scope of safety management and building a full-chain safety guarantee network.

Over the past three years, the Group has no record of work injuries or work-related fatalities. The number of lost days due to work injury during the Reporting Period was nil.

7.3 Development and Training

The Group attaches great importance to the development of its employees and fully understands the role and significant impact of talent reserve and comprehensive quality improvement on the future positive development of the enterprise. We have formulated a comprehensive "Training Management Mechanism" to standardize the management of training projects. Through the training mechanism, we will comprehensively improve the comprehensive quality of employees and enhance the overall strength of the enterprise.

The Group's training system is divided into new employee training, professional skills training and general training:

New Employee Training	- When new employees join the Company, we provide targeted induction training. The Human Resources Department formulates the training plan and organizes its implementation. It adopts the form of concentrated lectures and discussions to let new employees understand departmental responsibilities, corporate culture, vacation policies and communication channels, promote new employees to quickly integrate into the work team, cultivate employees' sense of belonging, and improve work efficiency. - The new employee induction training program is carried out once every quarter, and the trainees receive training according to the induction batches.
Professional Skills Training	- Regularly arrange a series of special training courses to enable employees to understand the latest market trends and absorb professional knowledge and skills through front-end and back-end business training, monthly project reviews, art sharing sessions, AI research, online professional training and other courses. - Based on the actual business development and daily work needs of each department, relevant training needs are output. The demand department will discuss with the Human Resources Department to refine the training plan and organize the implementation of the training, which is generally organized in the form of concentrated lectures, meetings, seminars, exchanges, actual exercises, etc. - We also encourage senior employees to become instructors and share their insights, innovations or industry experience with younger employees to promote continuous development of employees.

General Training

- Regularly arrange a series of general trainings to enable employees to understand business knowledge, laws and regulations, human resources and administrative policies. According to the actual situation of the Group or each department, the Human Resources Department will assist in promoting the implementation of training projects to improve the overall quality of employees, expand the knowledge field, publicize, implement the Group's various management systems, policies and work processes, and ensure that employees have a better understanding of the actual situation of policy implementation to facilitate daily work.

During the Reporting Period, we have arranged over 37 hours of training in terms of art design, system development and other dimensions. The ratio of employees of the Group trained and the average training hours by gender and employment type are as follows:

	Percentage of Employees Trained (%)		Average Training Hours (hours/employees)	
By gender				
Male	62.31%	61.42%	3.14	3.10
Female	37.69%	38.58%	2.7	2.70
By employment type				
Senior management	3.30%	1.32%	1.12	1.09
Middle management	8.46%	8.44%	2.37	2.34
General employees	88.24%	90.23%	3.51	3.47

Notes:

- Percentage of employees trained is calculated based on the number of employees trained in a category during the Reporting Period divided by the total number of employees of that category, which reflects the ratio of employees trained by gender and employment type.
- Average training hours is calculated based on the total training hours of a category during the Reporting Period divided by the total number of employees of that category, which reflects the actual investment of the Group in training during the Reporting Period.

The Group provides adequate career development opportunities for its employees to enhance their confidence and retain talent. The Group's positions cover the four major categories of functional, research and development, art and product. The Group provides detailed and comprehensive career paths and numerous opportunities so that employees can choose a path that is more suitable for their development based on their personal interests and expertise. We conduct monthly, semi-annual and annual performance appraisals to comprehensively assess the performance of our employees, and use the results of performance appraisals as the key basis for bonus distribution and job adjustments.

7.4 Labour Standards

The Group strictly abides by the Law of the People's Republic of China on the Protection of Minors, the Provisions on Prohibiting the Use of Child Labour, the Labour Contract Law, the Employment Ordinance and other relevant laws and regulations. It regards "prohibition of child labour" and "elimination of forced labour" as two bottom lines in employment management, and firmly upholds fair, voluntary and lawful labour relations.

In terms of the prevention and handling of child labour, we implement a strict onboarding verification mechanism. During the entire recruitment process, the human resources department rigorously verifies the identity documents of applicants to confirm that they have reached the legal working age, thus eliminating the risk of illegal employment at the source. The Group adopts a zero-tolerance policy towards the use of child labour. Once such a situation is identified, an emergency response procedure will be activated immediately: relevant work shall be suspended at once, the child labourer shall be safely repatriated with necessary support provided, and the labour relationship shall be terminated in accordance with the law. We will conduct a thorough review of the incident, identify management loopholes, and take effective corrective and preventive measures to ensure that such incidents do not recur.

In respect of labour contracts and working conditions, we sign written labour contracts with all employees in accordance with the law, and clearly set out key employment terms such as job position, remuneration system and commencement date in the offer letter to ensure transparency. The Group strictly complies with national provisions on working hours and statutory holidays, respects employees' right to rest and leave, and arranges production and operation activities reasonably. Any form of forced labour and illegal overtime work is prohibited, ensuring that employees are fully rested and their legitimate rights and interests are fully protected. We are committed to building harmonious labour relations, enabling every employee to work in a safe and dignified environment.

During the Reporting Period, the Group was not aware of any cases of child labour or forced labour.

8. PROMOTING GREEN DEVELOPMENT

As a digital entertainment platform with deep roots in the mobile internet industry, the Group's business model is inherently characterised by low environmental impact. Nevertheless, we maintain a high level of vigilance toward global climate change and environmental conditions, actively fulfil our corporate environmental responsibilities, and proactively align with the national "Dual Carbon" strategic goals.

In practice, the Group strictly complies with national environmental protection laws and regulations covering air, water and solid waste pollution prevention and control, and has established a comprehensive internal environmental compliance management system. We regard resource efficiency as a core operational indicator. Through initiatives such as promoting green office practices and optimising energy efficiency, we integrate low-carbon concepts into every office scenario and business process, earnestly fulfilling our environmental protection obligations.

Demonstrating rigorous risk control and compliance awareness, the Group did not record any major environmental violations during the Reporting Period, reflecting sound environmental governance capabilities. Going forward, we will continue to optimise our green operation system, explore new pathways for low-carbon development in the digital industry, and contribute practical experience to the sustainable development of the sector.

8.1 Environmental Protection Targets

The Group has set the following environmental protection targets, and has made good progress during the Reporting Period. In future years, the Group will continue to reduce its emissions, energy consumptions and resources consumptions, pay attention to new environmental protection technology and actively consider their practice and application within the Group.

	Our Green Targets	The Group's Progress in this year
 GHG Emissions	Taking 2024 as the base year, we are committed to reducing the employee-based greenhouse gas emission intensity by 8% by 2030.	In progress
 Waste Management	To practice the concept of circular economy and strive to reduce the impact of waste on the environment by applying the 3R principles of “reuse, recycle, reduce”.	In progress
 Energy Consumption	To reduce our energy consumption by implementing energy conservation measures.	In progress
 Water Consumption	To improve water efficiency by implementing water conservation measures.	In progress

8.2 Office Environmental Protection Requirements

The Group strictly implements its office environmental management system. Through weekly inspections conducted by the administrative department, it ensures the compliance and efficiency of electrical appliance usage, water resource management and waste disposal, effectively reducing the environmental footprint of its operations. We actively promote the company-wide initiative of “Low-Carbon Living, Green Office”. By releasing codes of conduct via digital channels, we enhance employees’ environmental awareness and foster sound hygiene practices.

In addition, the Group also prioritises health and safety in the workplace. It regularly updates epidemic prevention and seasonal health promotion materials, providing employees with a safe, comfortable and responsible working environment to achieve a win-win situation for corporate operations and employee well-being.

8.3 Air, GHG Emissions and Energy Management

The Group's air and GHG emissions are primarily from fuel consumption of vehicles and purchased electricity. Our energy consumption mainly derives from gasoline consumption for vehicles and purchased electricity. To reduce our carbon footprint and our impact on the environment, we have deployed the following initiatives to improve energy efficiency:

Employee Travel	• When traveling on business trips, employees are urged to carpool or take public transport wherever possible; • Use telephone conferences or online video conferences as much as possible to reduce business travel; • Encourage employees to travel in a low-carbon manner and take public transportation to and from get off work.
Office Management	• Set timers on lighting systems, air conditioning systems, printing equipment, etc., turn on energy-saving mode, and use zone switches to improve energy efficiency; • Set temperature for air conditioning systems to reduce unnecessary refrigerant consumption; • Give priority to purchasing energy-saving electronic equipment with energy efficiency labels; • Turn off equipment after get off work to avoid unnecessary power consumption; • The Administration Department conducts weekly office environment inspections, monitors and reports on the shutdown of air conditioners, lighting, and employee computers.

8.4 Waste Reduction

The non-hazardous waste generated by the Group mainly derives from office waste and domestic waste generated during daily operation. The Group has engaged qualified third parties to collect and handle such waste in an appropriate manner. We have also introduced the following initiatives to minimize the negative environmental impact of waste:

Office Management	• Promote the principles of "reuse, recycle, reduce" in offices to enhance employees' awareness in minimizing waste; • Advocate paperless office by using electronic means of communication and data storage, reduce paper usage, improve work efficiency and effectively reduce carbon emissions; • Adopt double-sided printing and reusing paper when possible; • Engage qualified third parties to recycle electronic waste; • Encourage employees to reduce the use of disposable tableware and bring their own reusable cups, lunch boxes, etc. as much as possible; • Set up recycling stations to collect waste paper, express boxes, plastic bottles and other recyclables, promote garbage sorting, and promote the recycling of recyclables.
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Due to its business nature, the Group did not generate material hazardous waste emissions or consume packaging materials.

8.5 Water Conservation

Water consumed by the Group is supplied by local municipal water suppliers. We did not encounter any problem in water sourcing. Although water consumption during the operation of the Group is relatively low, we are still aware of the scarcity of water resources in today's society and are committed to preserve water resources. We have introduced the following initiatives to raise our water consumption efficiency:

Office Management

- Install taps with automatic sensors to avoid waste of water;
- Post notices and signages next to taps to encourage employees to preserve water.

8.6 Environment and Natural Resources

As an enterprise that mainly operates card and board games, the Group's business mainly operates in the office and does not impose a significant impact on the environment. Taking into account the current situation of society and the urgency of environmental protection, the Group is committed to monitor its own emissions and resource consumption, actively seek and implement appropriate environmental protection measures, and keep abreast of the latest trends and strategies related to the environment, getting ready to implement such policies anytime. Relevant environmental protection training will be arranged from time to time to enhance our employees' awareness of environmental protection.

Environmental Performance Data

	Unit	2025	2024
Air Emissions			
Nitrogen Oxides (NO _x)	Kg	2.88	2.63
Sulphur Oxides (SO _x)	Kg	2.17	2.37
Particulate Matter (PM)	Kg	0.24	0.22
GHG Emissions			
Total GHG Emissions	Tonnes CO ₂ e	183.35	172.72
Scope 1 Direct Emissions	Tonnes CO ₂ e	14.26	15.42
Scope 2 Indirect Emissions	Tonnes CO ₂ e	158.30	157.30
Scope 1 Direct Emissions Intensity	Tonnes CO ₂ e/employee	0.04	0.03
Scope 2 Indirect Emissions Intensity	Tonnes CO ₂ e/employee	0.27	0.26
Waste			
Total Non-hazardous Waste	Tonnes	56.16	59.13
Total Non-hazardous Waste Intensity	Tonnes/employee	0.11	0.10
Use of Resources			
Total Energy Consumption	MWh	353.67	383.62
Energy Consumption Intensity	MWh/employee	0.61	0.64
Purchased Electricity	MWh	305.17	330.12
Gasoline	MWh	51.40	53.50
Total Water Consumption	Tonnes	1,500.08	1,850.01
Total Water Consumption Intensity	Tonnes/employee	2.86	3.06

Note: Emission and resource consumption intensity adopt number of employees as their units.

8.7 Responding to Climate Change

Facing increasingly severe climate challenges, the Group adheres to the principle of prevention and continuously improves its climate risk management mechanism. We recognise that rigorous environmental performance management is fundamental to the sustainable development of the Group.

During the Reporting Period, the Group conducted a dedicated ESG risk assessment, focusing on identifying potential business threats posed by climate change. Through in-depth analysis of latent risks, we not only formulated short-term emergency response plans but also integrated the findings into long-term strategic planning, supporting decision-making with scientific data. Going forward, the Group will continue to optimise its risk assessment models and response measures to minimise the potential impact of climate-related factors on business operations.

In accordance with Part D “Climate-Related Disclosures” of the ESG Reporting Code issued by The Stock Exchange of Hong Kong Limited, and with reference to the IFRS Sustainability Disclosure Standards S2 — Climate-Related Disclosures (IFRS S2) issued by the International Sustainability Standards Board (ISSB) and the framework and recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the Group manages and discloses climate change risks and their impacts across four dimensions: governance, strategy, risk management, and metrics and targets. It addresses climate-related challenges and opportunities through a scientific and efficient climate governance mechanism.

Governance

The Board of Directors is the highest decision-making body for the Group’s ESG and climate governance, responsible for overseeing and approving overall climate-related matters and reviewing relevant progress. Senior management coordinates the full-cycle management of climate change response, including identification and assessment of climate risks, target setting, implementation supervision, and reporting and disclosure. They regularly communicate with the Board on the latest climate-related issues affecting the Group. Meanwhile, senior management collaborates with various business units and functional departments to form a cross-functional response mechanism, jointly developing climate resilience building plans to systematically enhance the Group’s ability to address climate risks.

To ensure the Board is kept informed of the latest trends in climate-related risks and opportunities, the Group provides climate change training to the Board annually. For detailed information on the Group’s ESG governance structure, please refer to the “Sustainability Governance Structure” above.

The current remuneration policy for the Company’s directors and senior management is formulated primarily based on the Company’s financial performance, operational effectiveness, and long-term sustainable development. As quantifiable ESG indicators, assessment standards, and appraisal processes are still being gradually established and optimised, ESG contributions were not included in remuneration considerations during the Reporting Period. The Company will continue to strengthen ESG governance in the future and incorporate quantifiable ESG targets into its remuneration and incentive mechanisms in due course.

Strategy

The Group regularly assesses the impact of climate-related risks and opportunities on its operations and value chain. This year, combining its own business operations, internationally recognised climate change projections, and external expert advice, the Group further identified and analysed the potential short-, medium- and long-term impacts of climate-related risks and opportunities on its operations and financial position. The Group fully assessed the potential impacts of extreme weather events on operational scenarios, systematically evaluating immediate and chronic climate risks across three dimensions: risk type, time horizon, and severity of impact.

Given the exemptions granted by the Stock Exchange (including reasonable information exemption, capacity exemption, and financial impact exemption), this report does not disclose detailed financial impacts or climate-related scenario analyses for the time being, and focuses primarily on qualitative descriptions. In addition, we have not yet implemented climate-related transition plans. The Group commits to continuously enhancing relevant capabilities and gradually improving disclosures in future reports.

Climate-related Physical Risk

Risk Category	Impact on Business and Value Chain	Potential Financial Impact	Time Horizon ¹	Severity	Mitigation Measures
Immediate physical risks (extreme weather events such as floods, rainstorms and typhoons)	Extreme weather events including floods, rainstorms and typhoons may damage infrastructure, electronic equipment and other assets, resulting in impairment or scrapping of fixed assets; The health and safety of employees, customers or business partners may be affected by extreme weather, potentially disrupting business operations; As game logins of our primary users rely on sound local Internet infrastructure, potential damage to Internet infrastructure caused by extreme weather may increase business instability.	Impairment of fixed assets, increase in operating costs, decrease in operating revenue	Short term, medium term, long term	Medium	In the site selection of self-owned and leased assets such as office buildings, comprehensively consider geographical location and local natural conditions to minimise the impact of extreme weather on business stability; Establish extreme weather emergency procedures covering operating locations, formulate standardised response measures and mechanisms before, during and after events, and conduct regular emergency drills to fully enhance emergency response capabilities for flood and typhoon prevention; Establish a disaster backup and recovery system for office buildings and self-owned/rented servers; Focus on employees' occupational health and safety, develop extreme weather emergency plans, minimise employees' outdoor activities during extreme weather, and provide corresponding protective measures.

Risk Category	Impact on Business and Value Chain	Potential Financial Impact	Time Horizon ¹	Severity	Mitigation Measures
Chronic physical risks (rising average temperature)	Rising average temperature may lead to increased water consumption by employees, requiring additional cooling equipment in office buildings or extended operating hours of such equipment, thereby increasing energy consumption; Prolonged high temperatures may increase the risk of fire incidents for the Group and affect operational efficiency.	Decrease in operating revenue, increase in operating costs	Medium term, long term	Low	During the office area site selection stage, identify and assess regional water and energy supply pressures for rational layout and location planning; Regularly inspect and maintain power systems and cooling facilities to prevent fire hazards; Continuously improve cooling efficiency through various technological upgrades during operation.
Chronic physical risks (sea level rise)	Sea level rise may flood office areas in coastal regions, causing damage to assets or equipment and disrupting normal business operations.	Impairment of fixed assets, decrease in operating revenue, increase in operating costs	Medium term, long term	Low	In the site selection of data centres and office areas in coastal regions, conduct comprehensive risk assessments based on historical sea level rise data to reasonably forecast potential risks.

- 1 Taking into account the Group's core business strategy, climate-related disclosure requirements and industry practices, we define the time horizons as follows: Short-term: within 2 years after the end of the Reporting Period (including the second year); Medium-term: 2 to 5 years after the end of the Reporting Period (including the fifth year); Long-term: more than 5 years after the end of the Reporting Period. This classification enables a reasonable assessment of how climate-related factors may affect the Group's business development across different timeframes.

Climate-Related Transitional Risks

Risk Category	Impact on Business and Value Chain	Potential Financial Impact	Time Horizon	Severity	Mitigation Measures
Policy and legal risks	Climate-related disclosure requirements are becoming increasingly stringent. Failure to establish robust disclosure capabilities and relevant data statistics and management systems in a timely manner may expose the Group to compliance and disclosure risks, and adversely affect our reputation.	Increase in compliance costs	Short term, medium term, long term	Medium	Continuously track and interpret updates to climate-related disclosure standards; gradually establish and improve data management systems covering climate-related financial impacts. Continuously enhance the ability to identify and respond to climate-related risks, and steadily improve the quality of climate-related disclosures.
Technological risks	As standards for low-carbon and environmental technologies and solutions continue to rise across society, failure to promptly identify and adopt such technologies may exacerbate the impact of climate change risks. Our products and services may also fall behind those of industry competitors, affecting overall revenue and intensifying competitive pressure.	Decrease in operating revenue	Short term, medium term, long term	Low	Identify and prioritise suppliers that apply green and environmentally friendly equipment as well as energy conservation and emission reduction technologies.

Risk Category	Impact on Business and Value Chain	Potential Financial Impact	Time Horizon	Severity	Mitigation Measures
Market risks	Climate change may lead to fluctuations in energy prices. The global energy transition will result in changes to fuel costs and electricity mix for the Group. Failure to shift to a low-carbon energy mix may expose us to volatility in international energy prices, leading to higher operating costs.	Increase in operating costs, decrease in operating revenue	Short term, medium term, long term	Low	Actively explore alternative energy sources and adopt a diversified low-carbon energy mix to reasonably reduce operating costs; Make timely adjustments to respond to low-carbon market demand and establish an efficient communication and feedback mechanism to understand customer needs; Actively conduct green and environmental promotion in communities to enhance the Group's environmental image.
Reputational risks	Global investors are paying increasing attention to climate change issues. Delayed response or lack of transparency may damage the Group's reputation, weaken investor confidence and affect corporate earnings.	Reduction in financing channels	Short term, medium term, long term	Low	Establish an effective risk assessment system and assessment model to regularly evaluate the impact of climate-related matters on our reputation; Improve the information disclosure mechanism, enhance transparency, and proactively respond to stakeholders' concerns regarding the Group's climate-related issues.

Climate-Related Opportunities

Opportunity Category	Impact on Business and Value Chain	Potential Financial Impact	Time Horizon	Response Measures
Energy efficiency	New technologies provide more low-cost options for the Group in the use of renewable energy, energy conservation and emission reduction, helping us reduce operating costs while further cutting carbon emissions.	Decrease in operating costs	Short term, medium term, long term	Procure green energy during operations and increase the proportion of clean energy used.
Market	Investors are placing increasing importance on our energy conservation and emission reduction measures and achievements. Stronger ESG performance may attract more investors and create additional opportunities for the Group.	Increase in financing channels	Short term, medium term, long term	Ensure transparency of the Group's climate-related governance and actions, and enhance disclosure of carbon emission data and outcomes of climate change response measures.

Risk Management

The Group is integrating climate-related risks into its risk management process to efficiently and systematically identify, assess, monitor and respond to climate risks. Based on this process, our senior management and relevant business departments have incorporated climate risks into operational and management decisions, so as to comprehensively enhance the capability to address climate risks and effectively mitigate their impact on business operations.

- Risk Identification**
 Senior management, together with external consultants, identifies climate-related risks and opportunities relevant to the Group based on the characteristics of its business and operational locations, as well as external policies and industry development trends.
- Risk Assessment**
 With reference to selected climate scenarios, the likelihood and severity of risks are assessed to prioritise climate change risks and identify material risks.

- *Risk Response*
For identified material risks, response measures are developed to eliminate, reduce or transfer such climate risks.
- *Risk Monitoring*
The Group continuously monitors climate risks and opportunities, updates the climate risks and opportunities register on a regular basis, and ensures that management receives periodic reports on climate-related risks and opportunities.

Metrics and Targets

The Group's greenhouse gas (GHG) emissions mainly consist of direct emissions from the use of company-owned vehicles (Scope 1), indirect emissions from purchased electricity (Scope 2) and other indirect emissions (Scope 3). To better understand its current carbon emission profile, the Group conducts relevant work in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard developed by the World Resources Institute and the World Business Council for Sustainable Development.

During the reporting period, the Group incurred no capital expenditure, financing or investment in relation to climate-related risks and opportunities, and had not established an internal carbon price. For other cross-industry metrics, the Group has applied the reasonable information exemption and has elected not to disclose the amounts and percentages of assets or business activities susceptible to climate-related risks and opportunities at this stage.

In addition, the Group has preliminarily established GHG emission reduction targets, details of which are set out in the section "Environmental Protection Targets". For its long-term target, the Group strives to achieve carbon neutrality by 2060, aligning with China's national commitment to carbon neutrality by 2060. This target has not yet been verified by an independent third party. To ensure the reliability of the target, the Group will annually review the targets and performance of Scope 1 and Scope 2 GHG emissions to assess whether any revisions are required. The reasons for and details of any revisions will be disclosed in the annual report. At present, the target does not cover Scope 3 emissions. The Group plans to gradually complete a Scope 3 emissions inventory to assess the feasibility of including Scope 3 emissions in future targets.

9. BUILDING A BETTER SOCIETY TOGETHER

9.1 Diversified Communication and Scene Development of National Mind sports

During the Reporting Period, the Group explored the integrated development path of "offline space + online marketing" based on matches, and comprehensively upgraded the national mind sports promotion system with national quintessence culture as the core. In order to realize the vision of universal participation, the Group built a multi-tiered event portfolio and continued to enrich its branded event lineup. During the period, it successfully held key tournaments including the "巔峰2v2城市榮耀戰" and the "水木冠軍杯", and provided qualification support for national-level competitions such as the "China Mahjong Open" and the "Global Mahjong Champions League — China Region", and gradually established a year-round, multilevel event system to promote the continuous development of mind sports in the direction of competition and popularization.



In the creation of offline cultural spaces, the Group continues to advance the planning, layout and systematic operation of multi-functional arenas. As of 31 December 2025, there were nearly 20 “Shuimu Mind Sports Arena” (水木智娱竞技场) flagship stores in core cities in North China, East China, South China, Northeast China, Southwest China, and Northwest China. These venues hosted various levels of mind sports competitions including bridge, guandan, mahjong and Fight the landlord, with an annual participation of over 200,000 people, becoming an important venue for offline professional mind sports events. They also provide a cultural venue for healthy communication for the vast number of intellectual competition enthusiasts, and further bring into play the cultural benefit function of mind sports.



In terms of online communication, the Group’s matrix of new media accounts, including the “麻将研究院”, “微乐斗地主研究院”, “微乐掇蛋大师赛”, “水木智娱竞技”, and “大魔王杯战队联赛” have become an important platform for the online promotion of intellectual competition projects. Relying on the above-mentioned accounts, the Group continues to live broadcast related competitions of various types of events such as regional mahjong, Fight the landlord, and Guandan on multiple platforms such as Douyin and video account. The broadcasting frequency was stable throughout the year, and the popularity of mind sports continued to rise, with the total annual live viewership exceeded 100 million, which further enhanced the popularity and influence of the cultural programme of national participation.



9.2 Standardisation and Improvement of Regional Competition Rules and Establishment of a Grading System

As a keen participant in the regional game format sector, the Group continues to promote the standardisation of local mind sports tournaments across the country. Leveraging its nationwide coverage advantages, the Group has actively provided information on the most popular mahjong rules in various regions, supporting the formulation of competition rules for multiple regional mahjong variants. During the Reporting Period, with the support of the Group, the Rules Committee of Mahjong International League (MIL) reviewed and adopted official competition rules for several regional mahjong formats, including Shenyang Mahjong, Shanghai Mahjong, Changsha Mahjong, Wuhan Mahjong, Nanjing Mahjong and Nanchang Mahjong. These rules were piloted in various competitions supervised by MIL during the Reporting Period. This laid the institutional foundation for mind sports and provided a feasible path for its subsequent promotion and replication across the country.



The Group is also actively optimizing the online examination platform for intellectual sports. Our long-term operating products, such as “微樂家鄉麻將”, “微樂四川麻將”, and “微樂鬥地主”, have all been connected to the online mahjong and card grading entrances. Mind sports enthusiasts can sign up to participate through the platform and obtain professional technical level certificates. As of 31 December 2025, more than 6.2 million people have participated in mahjong grading and more than 0.5 million people have participated in card grading. The access to the platform provides convenient and standardized grading services for most users, and promotes the establishment of a standardized evaluation system covering skill certification, competitive grading, and project professionalization.



9.3 Charitable Donations

9.3.1 Regular Public Welfare Programmes: Gathering Strength for Growth Through Small Acts of Kindness

The Group actively fulfils its corporate social responsibilities and is committed to long-term regular public welfare practices. During the reporting period, the Group strengthened its cooperation with professional organisations including Tencent Growth Guardian and One Foundation, with a focus on supporting the public welfare programme “Support Children to Explore the World”. Guided by a child-centred philosophy, the programme equips children with essential travel skills through team-based, practice-oriented study tours, helping them realise their vision of independent exploration. Participating students broadened their geographical and cultural horizons through field experiences, deepened self-understanding in the process of exploration, and achieved dual improvements in psychological and comprehensive quality from “external learning” to “internal reflection”.

To build an inclusive society with diverse values, the Group also expanded its public welfare investment portfolio through the same cooperation platform during the period, supporting the Bazaar Charity Special Fund — Beauty for All Programme (focused on women’s empowerment and aesthetic education resource development) and “A Technology Lesson for Children” (committed to bridging the technology education gap in underdeveloped areas). For the above three joint public welfare programmes, the Group’s total donations amounted to RMB0.54 million. By effectively linking platform resources and leveraging the professional strengths of NGOs, the Group ensures the efficient allocation and targeted delivery of public welfare resources, continuously injecting sustainable impetus into the all-round development of young people, the advancement of women and overall social well-being.

HKEX ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

CONTENT INDEX

Subject areas, aspects		Descriptions	Relevant sections
A. Environmental			
<i>Aspect A1: Emissions</i>			
General Disclosure	A1	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Promoting Green Development
KPIs	A1.1	The types of emissions and respective emission data.	Air, GHG Emissions and Energy Management Environment and Natural Resource
	A1.2	Total hazardous waste produced and intensity.	Waste Reduction Environment and Natural Resource
	A1.3	Total non-hazardous waste produced and intensity.	Waste Reduction Environment and Natural Resource
	A1.4	Description of emissions target(s) set and steps taken to achieve them.	Environmental Protection Targets Air, GHG Emissions and Energy Management
	A1.5	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Waste Reduction Environmental Protection Targets

Subject areas, aspects		Descriptions	Relevant sections
<i>Aspect A2: Use of Resources</i>			
General Disclosure	A2	Policies on the efficient use of resources, including energy, water and other raw materials.	Promoting Green Development
KPIs	A2.1	Direct and/or indirect energy consumption by type and intensity	Air, GHG Emissions and Energy Management
	A2.2	Water consumption in total and intensity.	Water Conservation Environment and Natural Resource
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental Protection Targets Office Environmental Protection Requirements
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Water Conservation
	A2.5	Total packaging material used for finished products and with reference to per unit produced.	Waste Reduction
<i>Aspect A3 :Environment and Natural Resource</i>			
General Disclosure	A3	Policies on minimizing the issuer's significant impact on the environment and natural resources.	The business of the Group does not pose material impact on the environment and natural resources.
KPIs	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	

Subject areas, aspects		Descriptions	Relevant sections
B. Social			
<i>Aspect B1: Employment</i>			
General Disclosure	B1	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment Management
KPIs	B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	Human Resources Overview
	B1.2	Employee turnover rate by gender, age group and geographical region.	Human Resources Overview
<i>Aspect B2: Health and Safety</i>			
General Disclosure	B2	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Occupational Health and Safety
KPIs	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Occupational Health and Safety
	B2.2	Lost days due to work injury.	Occupational Health and Safety
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Occupational Health and Safety
<i>Aspect B3: Development and Training</i>			
General Disclosure	B3	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
KPIs	B3.1	The percentage of employees trained by gender and employee category.	Development and Training
	B3.2	The average training hours completed per employee by gender and employee category.	Development and Training

Subject areas, aspects		Descriptions	Relevant sections
<i>Aspect B4: Labour Standards</i>			
General Disclosure	B4	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards
KPIs	B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
	B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards
<i>Aspect B5: Supply Chain Management</i>			
General Disclosure	B5	Policies on managing environmental and social risks of the supply chain.	Maintaining a Stable Supply Chain
KPIs	B5.1	Number of suppliers by geographical region.	Supply Chain Management
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management Green Procurement
<i>Aspect B6: Product Responsibility</i>			
General Disclosure	B6	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Fulfilling Product Responsibility

Subject areas, aspects		Descriptions	Relevant sections
KPIs	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Fulfilling Product Responsibility
	B6.2	Number of products and service-related complaints received and how they are dealt with.	Complaint Handling
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property Protection
	B6.4	Description of quality assurance process and recall procedures.	Fulfilling Product Responsibility
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	Information Security Protection
<i>Aspect B7: Anti-Corruption</i>			
General Disclosure	B7	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption and Promoting Integrity
KPIs	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption and Promoting Integrity
	B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	Anti-corruption and Promoting Integrity
	B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption and Promoting Integrity
<i>Aspect B8: Community Investment</i>			
General Disclosure	B8	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Building a Better Society Together
KPIs	B8.1	Focus areas of contribution e.g. education, environmental concerns, labour needs, health, culture, sport.	Building a Better Society Together
	B8.2	Resources contributed e.g. money or time to the focus area.	Building a Better Society Together

Content Index (Climate-related Disclosures)

Category	Subcategory	Description	Section/Remarks
Governance		The governance body(s) responsible for oversight of climate-related risks and opportunities.	Responding to Climate Change — Governance
Governance		Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	Responding to Climate Change — Governance
Strategy	Climate-related risks and opportunities	Describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk. Specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur. Explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	Responding to Climate Change — Strategy
Strategy	Business model and value chain	A description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	Responding to Climate Change — Strategy

Category	Subcategory	Description	Section/Remarks
Strategy	Strategy and decision-making	Information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Information about how the issuer is resourcing, and plans to resource, the activities, which have responded to, and plan to respond, material climate risks and opportunities in its strategies and decision-making.	Responding to Climate Change — Strategy During the year, we have not fully implemented our climate-related transition plan, and such work is currently in progress.
Strategy	Financial position, financial performance and cash flows — current financial effect	How climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period. Information about the climate-related risks and opportunities identified in how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	Responding to Climate Change — Strategy Financial Effects Relief Capability Relief
Strategy	Financial position, financial performance and cash flows — anticipated financial effect	How the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration the followings. How the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	Financial Effects Relief Capability Relief

Category	Subcategory	Description	Section/Remarks
Strategy	Climate resilience	The issuer's assessment of its climate resilience as at the reporting date.	Reasonable Information Relief
		How and when the climate-related scenario analysis was carried out.	Capability Relief
Risk Management		The processes and related policies the issuer uses to identify, assess, prioritise and monitor climate-related risks and opportunities.	Responding to Climate Change — Risk Management
Risk Management		The processes the issuer uses to identify, assess, prioritise and monitor climate-related risks and opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities)	Responding to Climate Change — Risk Management
Risk Management		The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process	Responding to Climate Change — Risk Management
Metrics and Targets	Greenhouse gas emissions	An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO ₂ equivalent, classified as: Scope 1 greenhouse gas emissions; Scope 2 greenhouse gas emissions; and Scope 3 greenhouse gas emissions.	KPIs Summary Reasonable Information Relief
Metrics and Targets	Climate-related transition risks	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks	Reasonable Information Relief
Metrics and Targets	Climate-related physical risks	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Reasonable Information Relief
Metrics and Targets	Climate-related opportunities	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Reasonable Information Relief

Category	Subcategory	Description	Section/Remarks
Metrics and Targets	Capital deployment	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	During the year, we did not incur any capital expenditure, financing or investment relating to climate-related risks and opportunities.
Metrics and Targets	Internal carbon prices	Whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis). The price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions, or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	During the year, we had not yet applied an internal carbon pricing mechanism in internal decision-making.
Metrics and Targets	Remuneration	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement.	The Group has not yet incorporated ESG contributions into the remuneration considerations for directors and senior management.
Metrics and Targets	Industry-based metrics	An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry	During the year, we did not refer to other industry disclosure guidelines for industry-specific indicator disclosures; relevant work is still ongoing.
Metrics and Targets	Climate-related targets	An issuer shall disclose the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets.	Responding to Climate Change — Metrics and Targets



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TO THE SHAREHOLDERS OF HOMELAND INTERACTIVE TECHNOLOGY LTD.

(Incorporated in Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Homeland Interactive Technology Ltd. (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 155 to 238, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

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 issued by the International Accounting Standards Board (“**IASB**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the “**Code**”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 matter

How our audit addressed the key audit matter

Revenue Recognition

We identified the revenue recognition as a key audit matter due to the fact that the revenue from self-developed mobile games is significant to Group's consolidated financial statements and the management of the Group made a significant estimate on the calculation of unit value of unutilized virtual tokens at the year end, which has a significant impact to the revenue recognized during the year.

During the year ended 31 December 2025, the Group recognized revenue from virtual tokens on their self-developed mobile games, total amounting RMB1,199,628,000, which represented approximately 89% of total revenue of the Group, as set out in Note 5 to the consolidated financial statements.

As stated in Note 3 to the consolidated financial statements, the Group recognizes revenue based on the consumption of virtual tokens in self-developed mobile games, which is estimated with the reference to the quantity of the unutilized tokens at the year end and the estimation on how much the unutilized virtual tokens worth. The estimated unit value of the unutilized virtual tokens was calculated, on a periodic basis, based on the quantity and value of virtual tokens sold, as well as the quantity of virtual tokens given out for free during the year.

Our procedures in relation to revenue recognition included:

- Assessing the appropriateness of the methodologies adopted by the management of the Group to determine the unit value of unutilized virtual tokens and deferred revenue at the year end through understanding the operating model of self-developed mobile games and challenging management's basis and judgement.
- Involving our information technology ("IT") specialists to assess the accuracy and completeness on the quantity of virtual tokens purchased by customers, given out for free, utilized during the year and unutilized at the year end from operation platform, through: (i) testing the general IT controls and automated controls of the operation platforms related to the self-developed mobile games; and (ii) performing recalculation on the quantity of the unutilized virtual tokens at the year end by using transaction data from the operation platforms, such as purchase and consumption quantity, and reconciled to the unutilized quantity in the operation platforms to verify the accuracy.

Key audit matter

The determination of the estimated unit value of unutilized virtual tokens was based on the Group's best estimate that has taken into account all known and relevant information at the time of assessments. When the management of the Group prepared the revenue recognition calculation, they relied on the transaction data, in particular the sales and consumption data, from the operation platforms.

How our audit addressed the key audit matter

- Examining purchase records made by the customers on the virtual tokens during the year, comparing to the supporting documents such as payment records on the self operated payment platform and third-party payment platform with statements from payment vendors, to verify whether the amount of virtual tokens purchased by customers during the year is accurate.
- Checking the arithmetic accuracy of calculation made by the management of the Group on the unit value of unutilized virtual tokens and deferred revenue adjustments made to the revenue.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include 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 THOSE CHARGED WITH GOVERNANCE 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 issued by the IASB 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.

Those charged with governance are 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 solely to you, as a body, in accordance with our agreed terms of engagement, 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 HKSAAs 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 HKSAAs, we exercise professional judgment and maintain professional skepticism 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.

Independent Auditor's Report

- 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 group 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 those charged with governance 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 those charged with governance 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 those charged with governance, 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 Lai Ka Chun.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

30 March 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	NOTES	2025 RMB'000	2024 RMB'000
Revenue	5	1,348,748	1,386,080
Cost of sales	6	(647,978)	(756,494)
Gross profit		700,770	629,586
Other income	7	39,314	40,473
Other gains and losses	8	(2,259)	63,591
Foreign exchange (loss) gains, net		(7,985)	6,144
Selling and marketing expenses		(260,309)	(446,652)
Administrative and other expenses		(199,841)	(213,183)
Research and development expenses		(46,433)	(73,035)
Impairment losses recognized under expected credit loss model	9	(61,820)	(67,288)
Share of results of associates	18	(15,323)	(25,061)
Share of results of joint ventures	19	(25,467)	(5,065)
Interest on lease liabilities		(914)	(1,052)
Profit (loss) before income tax		119,733	(91,542)
Income tax (expense) credit	10	(39,480)	15,321
Profit (loss) for the year	11	80,253	(76,221)
Other comprehensive income			
<i>Item that will not be reclassified to profit or loss:</i>			
Fair value gain on equity instruments at fair value through other comprehensive income ("FVTOCI"), net of income tax		11,965	1,748
Other comprehensive income for the year, net of income tax		11,965	1,748
Total comprehensive income (expense) for the year		92,218	(74,473)
Profit (loss) for the year attributable to:			
Owners of the Company		59,139	(74,174)
Non-controlling interests		21,114	(2,047)
		80,253	(76,221)
Total comprehensive income (expense) attributable to:			
Owners of the Company		71,104	(72,426)
Non-controlling interests		21,114	(2,047)
		92,218	(74,473)
Earnings (loss) per share (in RMB cents)	14		
— Basic		4.85	(5.94)
— Diluted		4.85	(5.94)

Consolidated Statement of Financial Position

As at 31 December 2025

	NOTES	2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment	15	148,974	64,813
Right-of-use assets	16	15,892	20,512
Intangible assets	17	7,967	33,807
Investments in associates	18	57,707	54,920
Investments in joint ventures	19	24,108	39,575
Financial assets at fair value through profit or loss ("FVTPL")	25	69,815	31,243
Equity instruments at FVTOCI	20	45,402	33,439
Prepayments, other receivables and deposits	26	4,810	9,573
Deferred tax assets	21	66,697	65,933
Receivables for disposal of subsidiaries	22	—	5,500
Receivables for disposal of associates	23	54,120	—
Loan receivables	27	20,102	44,000
		515,594	403,315
Current assets			
Trade receivables	24	90,246	94,413
Financial assets at FVTPL	25	352,739	393,726
Prepayments and other receivables	26	125,847	182,882
Receivables for disposal of subsidiaries	22	2,664	11,350
Receivables for disposal of associates	23	30,460	106,989
Loan receivables	27	122,152	104,403
Restricted bank deposits	28	—	50,000
Short-term bank deposits	28	153,029	65,000
Cash and cash equivalents	28	790,735	755,032
		1,667,872	1,763,795
Current liabilities			
Other payables	29	93,409	55,114
Deferred revenue	30	102,963	147,105
Tax payable		37,490	18,900
Lease liabilities	31	6,049	8,365
Dividend payable		—	4,800
		239,911	234,284
Net current assets		1,427,961	1,529,511
Total assets less current liabilities		1,943,555	1,932,826

Consolidated Statement of Financial Position

As at 31 December 2025

	NOTES	2025 RMB'000	2024 RMB'000
Non-current liabilities			
Lease liabilities	31	10,798	12,888
Deferred tax liabilities	21	1,626	3,786
		12,424	16,674
Net assets		1,931,131	1,916,152
Capital and reserves			
Share capital	32	42	42
Reserves		1,878,283	1,882,018
Equity attributable to owners of the Company		1,878,325	1,882,060
Non-controlling interests		52,806	34,092
Total equity		1,931,131	1,916,152

The consolidated financial statements on pages 155 to 238 were approved by the Board of Directors on 30 March 2026 and were signed on its behalf:

Wu Chengze
DIRECTOR

Su Bo
DIRECTOR

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Attributable to owners of the Company										Non-controlling interests	Total							
	Share capital	Share Award Scheme	Share premium	Statutory reserve	Other reserve	Share-based payments reserve	FVTOCI reserve	Retained earnings	Sub-total										
										RMB'000			RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000								
					(note i)														
As at 1 January 2024	42	(9,551)	40,163	15,027	19,199	13,878	(13,593)	2,018,138	2,083,303	847	2,084,150								
Loss for the year	—	—	—	—	—	—	—	(74,174)	(74,174)	(2,047)	(76,221)								
Other comprehensive income for the year	—	—	—	—	—	—	1,748	—	1,748	—	1,748								
Total comprehensive income (expense) for the year	—	—	—	—	—	—	1,748	(74,174)	(72,426)	(2,047)	(74,473)								
Recognition of share-based payment expenses under the incremental fair value under the Compensation Grant (defined in Note 36(b))	—	—	—	—	—	143	—	—	143	—	143								
Recognition of share-based payment expenses under the 2021 Share Award Scheme (defined in Note 36(c))	—	—	—	—	—	45	—	—	45	—	45								
Recognition of share-based payment expenses under the 2024 Share Award Scheme (defined in Note 36(d))	—	—	—	—	—	24,896	—	—	24,896	—	24,896								
Vesting of award shares under the Compensation Grant, the 2021 Share Award Scheme and the 2024 Share Award Scheme	—	31,493	6,142	—	—	(37,635)	—	—	—	—	—								
Share-based payment expenses related to the share awards forfeited after the original vesting date	—	—	—	—	—	(1,327)	—	1,327	—	—	—								
Repurchase of shares (Note iii)	—	(35,828)	—	—	—	—	—	—	(35,828)	—	(35,828)								
Donation from shareholders (Note ii)	—	(80,437)	—	—	80,437	—	—	—	—	—	—								
Dividend recognized as distribution (Note 12)	—	—	—	—	—	—	—	(118,073)	(118,073)	—	(118,073)								
Non-controlling interests arise from acquisition of a subsidiary (Note 18(i))	—	—	—	—	—	—	—	—	—	35,292	35,292								
As at 31 December 2024	42	(94,323)	46,305	15,027	99,636	—	(11,845)	1,827,218	1,882,060	34,092	1,916,152								
As at 1 January 2025	42	(94,323)	46,305	15,027	99,636	—	(11,845)	1,827,218	1,882,060	34,092	1,916,152								
Profit for the year	—	—	—	—	—	—	—	59,139	59,139	21,114	80,253								
Other comprehensive income for the year	—	—	—	—	—	—	11,965	—	11,965	—	11,965								
Total comprehensive income for the year	—	—	—	—	—	—	11,965	59,139	71,104	21,114	92,218								
Recognition of share-based payment expenses under the 2025 Share Award Scheme (defined in Note 36(e))	—	—	—	—	—	7,390	—	—	7,390	—	7,390								
Vesting of award shares under the Compensation Grant, the 2025 Share Award Scheme	—	13,464	(6,074)	—	—	(7,390)	—	—	—	—	—								
Repurchase of shares (Note iii)	—	(82,229)	—	—	—	—	—	—	(82,229)	—	(82,229)								
Cancellation of dividends to non-controlling interest	—	—	—	—	—	—	—	—	—	4,800	4,800								
Dividends paid to non-controlling interest	—	—	—	—	—	—	—	—	—	(7,200)	(7,200)								
As at 31 December 2025	42	(163,088)	40,231	15,027	99,636	—	120	1,886,357	1,878,325	52,806	1,931,131								

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

Notes:

- (i) The other reserve represents (i) the difference between the consideration paid and share of the subsidiary's net assets acquired from the non-controlling interests in prior years and (ii) the effect of group reorganization on 24 September 2018, pursuant to which Xiamen Kexin Network Technology Company Limited ("**Homeland PRC**"), Jiayang Interactive (Xiamen) Network Technology Company Limited ("**Jiayang Interactive**") and Jilin Yutai Network Technology Company Limited ("**Jilin Yutai**", which is controlled by Mr. Wu Chengze ("**Mr. Wu**") entered into a series of contractual arrangements which enable the Group to have control over the assets, liabilities and operating profits from Jiayang Interactive and its subsidiaries.
- (ii) During the year ended 31 December 2024, the Company received 45,966,885 share donation from their shareholders, who transferred their shares to Futu Securities International (Hong Kong) Limited ("**Futu Securities**") which is an account designated for the Share Award Scheme of the Group. These shares are included under "Shares held for Share Award Scheme" at their fair value of RMB80,437,000 determined based on the quoted price of the Company's shares at the date of transfer with the corresponding credit to other reserve as shareholders' contributions.
- (iii) During the year ended 31 December 2025, the Company repurchased 50,138,000 (2024: 20,340,000) of shares with total consideration of RMB82,229,000 (equivalents to Hong Kong Dollars ("**HK\$**") 90,123,000) (2024: RMB35,828,000 (equivalents to HK\$38,916,000)) on the open market at a price of HK\$0.966 to HK\$2.000 (2024: HK\$1.340 to HK\$2.684) through Futu Securities, which was appointed as an independent trustee for the share award schemes of the Company, as treasury shares for the purpose of future share award schemes. Details are as follows:

Year ended 31 December 2025

Month of repurchase	No of ordinary shares	Price per share		Aggregate consideration paid HK\$'000
		Highest HK\$	Lowest HK\$	
January	580,000	1.494	1.363	836
May	680,000	1.176	1.103	769
June	526,000	1.288	1.122	624
July	100,000	1.279	1.140	120
August	70,000	1.150	0.966	71
September	100,000	1.040	1.034	104
October	48,082,000	2.000	1.053	87,599
Total	50,138,000			90,123

Year ended 31 December 2024

Month of repurchase	No of ordinary shares	Price per share		Aggregate consideration paid HK\$'000
		Highest HK\$	Lowest HK\$	
January	2,974,000	2.684	2.197	7,439
April	1,352,000	2.248	1.966	2,962
June	838,000	1.915	1.877	1,581
July	374,000	1.451	1.390	522
December	14,802,000	1.800	1.340	26,412
Total	20,340,000			38,916

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	NOTES	2025 RMB'000	2024 RMB'000
Operating activities			
Profit (loss) for the year		80,253	(76,221)
Adjustments for:			
Income tax expense (credit)		39,480	(15,321)
Amortization of intangible assets		31,244	19,696
Depreciation of property, plant and equipment		17,947	17,282
Depreciation of right-of-use assets		7,255	9,843
Fair value changes of financial assets at FVTPL		(10,415)	(22,835)
Foreign exchange losses (gains), net		3,027	(568)
Gain on early termination of a lease		—	(442)
Gain on early repayment of long-term receivables for disposal of subsidiaries		—	(1,782)
Gain on assets disposal transaction		—	(8,632)
Gain on remeasurement of previously held interest in an associate	18(ii)	—	(2,266)
Gain on disposal of subsidiaries		(1,502)	(10,628)
Gain on disposal of investments in associates		—	(17,462)
Impairment losses recognized under expected credit loss model		61,820	67,288
Interest income		(22,833)	(26,291)
Interest on lease liabilities		914	1,052
Loss on disposal of property, plant and equipment		841	844
Loss on derecognition of receivables for disposal of an associate		10,351	—
Loss on non-substantial modification of receivables for disposal of an associate		2,984	—
Share-based payment expenses	36	7,390	25,084
Share of results of associates		15,323	25,061
Share of results of joint ventures		25,467	5,065
Staff cost due to loans to employees		—	101
Operating cash flows before movements in working capital		269,546	(11,132)
Decrease in trade receivables		4,155	66,468
Decrease in other deposits, prepayments and other receivables		61,283	7,319
Increase (decrease) in other payables		40,456	(36,721)
(Decrease) increase in deferred revenue		(44,142)	74,140
Cash from operating activities		331,298	100,074
Income tax paid		(23,812)	(29,008)
Net cash from operating activities		307,486	71,066

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	NOTES	2025 RMB'000	2024 RMB'000
Investing activities			
Investment in financial assets at FVTPL		(672,225)	(626,239)
Placement of short-term bank deposits		(153,029)	(65,000)
Purchase of property, plant and equipment		(103,639)	(17,590)
Loans advanced		(62,723)	(95,296)
Acquisition of investments in associates		(25,107)	(49,705)
Acquisition of investments in joint ventures		(10,000)	(20,000)
Purchase of intangible assets		(5,404)	(9,791)
Loans provided to employees		(3,000)	(1,450)
Payment for rental deposits		(276)	(316)
Net cash outflow on disposal of subsidiaries		(157)	(127)
Purchases of equity instruments at FVTOCI		—	(17,500)
Net cash inflow on acquisition of a subsidiary	18(ii)	—	27,960
Early repayment on receivables for disposal of subsidiary		—	42,203
Placement of restricted bank deposits		—	(50,000)
Proceeds from disposal of fair value of financial assets at FVTPL		685,055	353,055
Withdraw of short-term bank deposits		65,000	—
Withdraw of restricted bank deposits		50,000	—
Loans repaid		21,600	1,858
Interest received		12,615	16,669
Repayment on receivables for disposal of subsidiaries		9,997	—
Loan repayment from employees		7,430	18,200
Proceeds from disposal of associates		5,897	—
Repayment on receivables for disposal of associates		5,100	—
Dividend received from associates		1,100	—
Proceeds from disposal of property, plant and equipment		647	20
Net cash used in investing activities		(171,119)	(493,049)
Financing activities			
Payment on repurchase of shares		(82,229)	(35,828)
Repayments for lease liabilities		(7,294)	(9,518)
Dividends paid to non-controlling interest		(7,200)	—
Interest paid on lease liabilities		(914)	(1,052)
Dividends paid		—	(118,073)
Net cash used in financing activities		(97,637)	(164,471)
Net increase (decrease) in cash and cash equivalents		38,730	(586,454)
Cash and cash equivalents at the beginning of the year		755,032	1,340,918
Effect of foreign exchange rate changes		(3,027)	568
Cash and cash equivalents at the end of the year	28	790,735	755,032

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

1. GENERAL INFORMATION

Homeland Interactive Technology Ltd. (the “**Company**”) is an exempted company with limited liability incorporated in Cayman Islands on 7 May 2018. The registered office of the Company is Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Grand Cayman Islands. The address of principal place of business of the Company is 17/F, Qianhai Shimao Financial Center II, No. 3040, Xinghai Avenue, Nanshan Street, Qianhai Shenzhen-Hong Kong Cooperation Zone, Shenzhen, the People’s Republic of China (the “**PRC**”). The Company is controlled by Mr. Wu Chengze (“**Mr. Wu**”), Mr. Jiang Mingkuan and Mr. Su Bo.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the “**Group**”) are primarily engaged in the development, publication and operation of mobile games in the PRC.

The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) with effect from 4 July 2019 (the “**Listing Date**”).

The consolidated financial statements are presented in Renminbi (“**RMB**”), which is also the functional currency of the Company and its subsidiaries.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

Amendments to an IFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an IFRS Accounting Standard as issued by the International Accounting Standards Board (“**IASB**”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21	Lack of Exchangeability
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The application of the amendments to an IFRS Accounting Standard in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS (Continued)

New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency ³
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards — Volume 11 ²
IFRS 18	Presentation and Disclosure in Financial Statements ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

Except for the new IFRS Accounting Standard mentioned below, the directors of the Company anticipate that application of all other amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to *Basis of Preparation of Financial Statements* upon effective of IFRS 18) and IFRS 7 *Financial Instruments: Disclosures*. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by the IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”) and by the Hong Kong Companies Ordinance.

3.2 Material accounting policy information

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group’s accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group’s equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Basis of consolidation (Continued)

Pursuant to applicable PRC laws and regulations, foreign investors are prohibited from holding equity interest in an entity conducting online games business and are restricted to conduct value-added telecommunications services. Homeland PRC, a subsidiary of the Company, Jiaxiang Interactive and Jilin Yutai entered into a series of contractual arrangements (“**2018 Contractual Arrangements**”), which are dated 24 September 2018 and effective date is from 24 September 2018. Yutai (Shenzhen) Network Technology Co., Ltd (“**Yutai Shenzhen**”), a subsidiary of the Company, Shenzhen Homeland Future Network Technology Co., Ltd (“**Homeland Future**”) and Jilin Yutai, which held 100% interest in Homeland Future, entered into another series of contractual arrangements (together with the 2018 Contractual Arrangements, collectively referred to as the “**Contractual Arrangements**”), which are dated 22 March 2024 and effective date is from 22 March 2024. Both of the Contractual Arrangements enable Homeland PRC, Yutai Shenzhen and the Group to:

- exercise effective financial and operational control over Jiaxiang Interactive and Homeland Future;
- exercise owners' voting rights of Jiaxiang Interactive and Homeland Future;
- receive substantially all of the economic interest returns generated by Jiaxiang Interactive and Homeland Future in consideration for the business support, technical and consulting services provided by Homeland PRC and Homeland Future;
- obtain an irrevocable and exclusive right to purchase all or part of equity interests in Jiaxiang Interactive and Homeland Future from Jilin Yutai at a minimum purchase price permitted under PRC laws and regulations, and all or part of the assets of Jiaxiang Interactive and Homeland Future at the net book value of such assets or such minimum purchase price permitted under PRC laws and regulations. Homeland PRC and Yutai Shenzhen may exercise such options at any time until it has acquired all equity interests and/or all assets of Jiaxiang Interactive and Homeland Future; and
- obtain a pledge over the entire equity interest of Jiaxiang Interactive and Homeland Future from Jilin Yutai as collateral security for all of Jiaxiang Interactive and Homeland Future's payments due to Homeland PRC and Yutai Shenzhen and to secure performance of Jiaxiang Interactive and Homeland Future's obligations under the Contractual Arrangements.

The Group does not have any equity interest in Jiaxiang Interactive and Homeland Future. However, as a result of the Contractual Arrangements, the Group has rights to variable returns from its involvement with Jiaxiang Interactive and Homeland Future and has the ability to affect those returns through its power over Jiaxiang Interactive and Homeland Future and is considered to control Jiaxiang Interactive and Homeland Future. Consequently, the Company regards Jiaxiang Interactive and Homeland Future as an indirect subsidiary for accounting purpose.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognized. A gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRS Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 *Financial Instruments* ("IFRS 9") or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Business combinations

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Acquisitions of businesses, other than business combination under common control, are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Business combinations (Continued)

The identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the Conceptual Framework for Financial Reporting (the “**Conceptual Framework**”) except for transactions and events within the scope of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* or IFRIC-Int 21 *Leases*, in which the Group applies IAS 37 or IFRIC-Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits* respectively; and
- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in IFRS 16 *Leases* (“**IFRS 16**”)) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer’s previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer’s previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary’s net assets in the event of liquidation are initially measured at the non-controlling interests’ proportionate share of the recognised amounts of the acquiree’s identifiable net assets or at fair value.

When a business combination is achieved in stages, the Group’s previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income and measured under IFRS 9 would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Changes in net assets of the associate/joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate or joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognizing its share of further losses. Additional losses are provided for, and a liability is recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized immediately in profit or loss in the period in which the investment is acquired.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Investments in associates and joint ventures (Continued)

The Group assesses whether there is an objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 *Impairment of Assets* (“**IAS 36**”) as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset within the scope of IFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate or joint venture and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate or joint venture.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognized in the consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group. Where the unrealized profit or loss exceeds the carrying amount of the investments in the associate or joint venture, the Group eliminates the profit or loss only to the extent of the carrying amounts of the investments in the associate or joint venture and would not recognize further share of profit or loss from the relevant associate or joint venture until they make sufficient profit or loss to cover the amount of the unrealized gain not eliminated.

Changes in the Group’s interests in associates and joint ventures

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Revenue from contracts with customers

The Group generates revenue from self-developed mobile games, third-party mobile games, as well as advertising as described below:

Self-developed mobile games

For self-developed mobile games, the Group's revenue is derived from the sales of virtual tokens. Virtual tokens can be used by the customers to play mobile games of the Group or for purchasing virtual products. Revenue is recognized at a point in time when the customers obtain control of the services, being at the point the customers consume the virtual tokens to play the games. Such income, when first received, is deferred and recorded as deferred revenue under current liabilities until the consumption of those virtual tokens by the customers in the mobile games. The Group determines the consumption with reference to the quantity and value of virtual tokens being unutilized by the customers in the mobile games at the year end. The Group also estimates the players' unexercised right (the "**breakage**") based on historical consumption pattern and revenue for the expected breakage amount is recognized when the likelihood of the player exercising the remaining rights becomes remote. Revenue recognized in respect of operating the games is net of any discounts.

The Group takes primary responsibilities of game operation and delivery of game experiences to the paying players, including determining distribution channels and payment vendors, providing customer services, hosting game servers, if needed, and controlling games and services specifications and pricing of the in-game virtual items. The Group considered itself as a principal under IFRS 15 *Revenue from Contracts from Customers* ("**IFRS 15**").

Deferred revenue represents the Group's obligation to transfer services to a customer for which the Group has received consideration from the customers. The Group has elected not to adopt the terminology of "contract liability" under IFRS 15, as the standard does not prohibit an entity from using alternative description in the consolidated statement of financial position.

Third-party mobile games

The Group provides mobile game publishing service to third-party game development companies. The third-party mobile games are hosted, maintained, operated and updated independently by the relevant game developers and the Group does not have access to the data on the consumption details and the types of virtual tokens or goods in the third-party mobile games and does not have obligation for operation of the game. The Group considered itself as an agent in these arrangements and recognizes its revenue, net of the portion of sharing of revenue with the third party game developers, at a point in time when the players purchase the virtual tokens of respective games.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Revenue from contracts with customers (Continued)

Advertising revenue

Advertising revenue is derived principally from online advertising arrangements. The Group inserts certain in-game advertisement slots into its mini-programs and shares the income with those mini-program platform operators. The Group considers itself as an agent in these arrangements and recognizes its revenue, net of the portion of sharing of revenue with mini-program platform operators, at a point in time when the advertisements placed by third parties platforms are displayed in the game interface.

Property, plant and equipment

Property, plant and equipment including leasehold land and buildings held for use or for administrative purposes are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as “right-of-use assets” in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognized so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessee

Right-of-use assets

The cost of right-of-use assets includes:

- the amounts of the initial measurement of the lease liabilities;
- any lease payments made at or before the commencement date, less any lease incentives received; and
- any initial direct costs incurred by the Group.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognizes and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates and an entity-specific adjustment whether the risk profile of the entity that enters into the lease is different to that of the Group.

The lease payments include fixed payments less any lease incentives receivable.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognized at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognized in profit or loss in the period in which they arise.

Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

Financial instruments

Financial assets and financial liabilities are recognized when the group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows and selling the financial assets; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a designated and effective hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(i) Amortized cost and interest income

Interest income is recognized using the effective interest method for financial assets measured subsequently at amortized cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the FVTOCI reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to retained earnings.

Dividends from these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income" line item in profit or loss.

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss. The net gain or loss recognized in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9

The Group performs impairment assessment under expected credit loss ("**ECL**") model on financial assets including trade receivables, receivables for disposal of subsidiaries/associates, loan receivables, other receivables and other deposits, restricted bank deposits, short-term bank deposits and cash and cash equivalents, which are subject to impairment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and current conditions at the reporting date as well as the forecast of future economic conditions.

The Group always recognizes lifetime ECL for trade receivables.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from financial analysts and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (Continued)

(i) Significant increase in credit risk (Continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 90 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 365 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (Continued)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over five years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (Continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information as described above. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortized cost of the financial asset.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables and loan receivables where the corresponding adjustment is recognized through a loss allowance account.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss;
- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Other gains and losses' line item as part of fair value changes of financial assets at FVTPL; and
- For equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the FVTOCI.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities, including other payables, dividend payable, are subsequently measured at amortized cost using the effective interest method.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in profit or loss as part of foreign exchange gains, net for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Share-based payments

Equity-settled share-based payment transactions

Shares awards/Share options granted to employees

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve. For shares/share options that vest immediately at the date of grant, the fair value of the shares/share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognized in share-based payments reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognized in share-based payments reserve will be transferred to retained earnings.

When shares awards granted are vested, the amount previously recognized in share-based payments reserve will be transferred to share premium.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Employee benefits

Retirement benefit costs

Payments to defined contribution retirement benefit plans, i.e. state-managed retirement benefit scheme, are recognized as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognized at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognized as an expense unless another IFRS Accounting Standard require or permit the inclusion of the benefit in the cost of an asset.

A liability is recognized for benefits accruing to employees (such as wages and salaries) after deducting any amount already paid.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from “profit (loss) before income tax” as reported in the consolidated statement of profit or loss and other comprehensive income because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Material accounting policy information (Continued)

Taxation (Continued)

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, interests in associates and joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply in the period in which the liability is settled or the asset is realized, based on tax rate (and tax laws) that has been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 *Income Taxes* requirements to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognized in profit or loss.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgments in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Control over entities under Contractual Arrangements

The Group conducts the majority of the business through Jiaxiang Interactive, Homeland Future and their subsidiaries (collectively known as the "**PRC Operating Entities**"). The Group does not have any equity interests in the PRC Operating Entities. The directors of the Company assessed whether or not the Group has control over the PRC Operating Entities based on whether the Group has the power over the PRC Operating Entities, has rights to variable returns from its involvement with the PRC Operating Entities and has the ability to affect those returns through its power over the PRC Operating Entities. After assessment, the directors of the Company concluded that the Group has control over the PRC Operating Entities as a result of the Contractual Arrangements and other measures and accordingly, the Group has consolidated the financial statements of the PRC Operating Entities in the consolidated financial statements.

Nevertheless, the Contractual Arrangements and other measures may not be as effective as direct legal ownership in providing the Group with direct control over the PRC Operating Entities and uncertainties presented by the PRC legal system could impede the Group's beneficiary rights of the results, assets and liabilities of the PRC Operating Entities. The directors of the Company, based on the advice of its legal counsel, consider that the Contractual Arrangements among the PRC Operating Entities and their legal equity holders are in compliance with the relevant PRC laws and regulations and are legally enforceable.

95% (2024: 96%) of the Group's revenue for the year ended 31 December 2025 and 88% (2024: 89%) of the Group's total assets as at 31 December 2025 came from the PRC Operating Entities.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimation of value of unutilized virtual tokens

As described in Note 3, the Group recognizes revenue based on the consumption of virtual tokens in self-developed mobile games, which is estimated with reference to the quantity of unutilized tokens at the year end and the estimation on how much the unutilized tokens worth.

The estimated unit value of the unutilized tokens was calculated, on a periodic basis, based on the quantity and value of tokens sold, as well as the quantity of tokens given out for free during the year. The determination of the estimated unit value of unutilized virtual tokens was based on the Group's best estimate that has taken 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 as a result of new information will be accounted for prospectively as a change in accounting estimate. When the management of the Group prepared the revenue recognition calculation, they relied on the transaction data, in particular the sales and consumption data, from the operation platforms. During the year ended 31 December 2025, the Group recognized revenue from tokens on their self-developed mobile games, total amounting RMB1,199,628,000 (2024: RMB1,212,269,000).

Provision of ECL for receivables for disposal of associates and loan receivables

Receivables for disposal of associates and loan receivables are assessed for ECL individually.

The provision of ECL is sensitive to changes in estimates. Management makes individual assessment on the recoverability of such receivables and estimates the ECL of the receivables by considering the historical credit loss experience of the debtors, guarantee provided by a third-party debtor's controlling party, the recent financial performance and profit forecast of the debtors and past experience, which are key source of estimation uncertainty.

The information about the ECL for receivables for disposal of associates and loan receivables are disclosed in Note 40.

5. REVENUE AND SEGMENT INFORMATION

Revenue represents (1) income from sales of virtual tokens on the Group's self-developed mobile games; (2) service income from third-party mobile games, and; (3) advertising revenue. The Group's operating activities are attributable to a single operating segment focusing on development and operation of mobile games in the PRC as well as other Asian Countries. This operating segment has been identified on the basis of internal management reports, prepared in accordance with the relevant accounting principles and financial regulations applicable in the PRC which materially conform with IFRS Accounting Standards, that are regularly reviewed by the chief operating decision maker ("CODM"), Ms. Cui Wei ("Ms. Cui"), the chief executive officer of the Group, for the purpose of allocating resources and assessing its performance. The CODM reviews the financial results of the Group as a whole for performance assessments. No analysis of segment assets or segment liabilities is presented as they are not regularly provided to the CODM.

	2025 RMB'000	2024 RMB'000
Revenue from:		
— Self-developed mobile games	1,199,628	1,212,269
— Third-party mobile games	94,252	140,153
Advertising revenue	1,293,880	1,352,422
	54,868	33,658
	1,348,748	1,386,080

Revenue by geographical markets

	Revenue from external customers		No-current assets (note)	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
The PRC	1,276,787	1,329,281	290,538	194,957
Other Asian countries (excluding the PRC)	71,961	56,799	18,230	18,670
	1,348,748	1,386,080	308,768	213,627

Note: non-current assets excluded deferred tax assets and financial instruments.

The Group has a large number of customers, and no revenue from any individual customer exceeded 10% or more of the Group's revenue for both years.

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For the year ended 31 December 2025

6. COST OF SALES

Cost of sales is analyzed as follows:

	2025 RMB'000	2024 RMB'000
Employee benefit expenses	32,725	48,672
Commissions and fees charged by distribution channels and payment vendors	468,413	465,233
Co-operation commissions charged by new media institution	34,673	123,382
Server-related and technical support fees	32,607	37,958
Commissions charged by game operators	35,525	36,557
Depreciation and amortization	26,417	21,853
Revenue sharing with game developers	11,239	17,756
Others	6,379	5,083
	647,978	756,494

7. OTHER INCOME

	2025 RMB'000	2024 RMB'000
Service income (<i>note i</i>)	8,455	6,586
Interest income on:		
— bank deposits	12,615	16,383
— loan receivables	3,734	380
— loan to employee	111	235
— receivables for disposal of:		
i) subsidiaries (<i>Note 22(ii)</i>)	347	2,008
ii) associates (<i>Note 23(ii)</i>)	6,026	7,379
Government subsidies (<i>note ii</i>)	7,909	6,065
Sundry income	117	1,437
Total	39,314	40,473

Notes:

- (i) Service income mainly represents the amounts received from contracted clients for providing game development and technical support services and is recognized over time when the related services are performed.
- (ii) Government subsidies mainly represent various industry-specific subsidies granted by the government authorities to subsidize the research and development costs already incurred by the Group during the course of its business, as well as government incentives to reward the Group's effort for technological innovation and support to the local economy with no future related costs to be incurred. There are no unfulfilled conditions relating to such government subsidies recognized.

8. OTHER GAINS AND LOSSES

	2025 RMB'000	2024 RMB'000
Loss on derecognition of receivables for disposal of an associate (Note 23(i))	(10,351)	—
Loss on non-substantial modification of receivables for disposal of an associate (Note 23(i))	(2,984)	—
Loss on disposal of property, plant and equipment	(841)	(844)
Fair value changes of financial assets at FVTPL	10,415	22,835
Gain on disposal of subsidiaries (Note 23(ii))	1,502	10,628
Gain on remeasurement of previously held interest in an associate (Note 18(ii))	—	2,266
Gain on assets disposal transaction (Note 35(f))	—	8,632
Gain on early repayment of long-term receivables for disposal of associates (Note 22(i))	—	1,782
Gain on early termination of right-of-use assets	—	442
Gain on disposal of investments in associates ((Note) and Note 23(iii))	—	17,462
Others	—	388
	(2,259)	63,591

Note: On 3 June 2024, the Group disposed of the 20.88% of equity interest in Chengdu Cangmo to an independent third-party at a nil consideration. After the disposal, as the Group ceased to have significant influence over Chengdu Cangmo, the investment became equity instruments at FVTOCI and the remaining 19.12% of equity interest was remeasured at fair value on the disposal date. The difference between the fair value of 19.12% equity interest, amounting to RMB7,110,000, and carrying amount of investment in Chengdu Cangmo Information Technology Co., Ltd ("Chengdu Cangmo") as at the disposal date, which amounted to RMB2,462,000, was recognized in the profit or loss as gain on disposal of investments in associates. On 22 August 2024, a new investor subscribed for 25.82% of equity interest in Chengdu Cangmo with a consideration of RMB12,950,000 which diluted the equity interest of the original shareholders in proportion and the Group's equity interest was decreased to 14.18% and constituted as non-cash transactions.

9. IMPAIRMENT LOSSES RECOGNISED UNDER EXPECTED CREDIT LOSS MODEL

	2025 RMB'000	2024 RMB'000
Impairment losses recognized on:		
— loan receivables	(47,272)	(57,614)
— receivables for disposal of associates	(10,000)	—
— receivables for disposal of subsidiaries	(4,536)	(4,800)
— trade receivables	(12)	—
— other receivables	—	(4,874)
	(61,820)	(67,288)

Details of impairment assessment are set out in Note 40.

10. INCOME TAX EXPENSE (CREDIT)

The income tax expense (credit) of the Group is analyzed as follows:

	2025 RMB'000	2024 RMB'000
PRC Corporate Income Tax (“CIT”)		
Current year	40,487	21,447
Under (over) provision in prior years	1,914	(3,600)
	42,401	17,847
Deferred tax (Note 21)	(2,921)	(33,168)
	39,480	(15,321)

The Company and a subsidiary incorporated in the BVI is not subject to income tax in the Cayman Islands or the BVI.

No provision for Hong Kong Profits Tax has been made since the entity operating in Hong Kong had no assessable profits for both years.

PRC CIT

The income tax provision of the subsidiaries operating in the PRC (other than those stated below) has been calculated at the tax rate of 25% on the taxable income for the reporting period, based on the existing legislation, interpretations and practices in respect thereof.

Jiaxiang Interactive was qualified as “High and New Technology Enterprises” (“HNTe”) under the Corporate Income Tax Law (“CIT Law”) since 2021 with a valid period of three years and such qualification has been renewed in 2024 with a valid period of three years. As a result, Jiaxiang Interactive is entitled to a preferential income tax rate at 15% for both years.

For the year ended 31 December 2022, Yaotang (Xiamen) Network Technology Co., Ltd (“Yaotang Xiamen”) qualified as a “Double Soft Enterprise” (“DSE”) under the CIT Law. According to relevant tax regulations, Yaotang Xiamen is exempted from CIT for two years, followed by a 50% reduction in the applicable tax rates for the next three years if the criteria of DSE are met each year, commencing from 2022, the first profitable year. Therefore, Yaotang Xiamen was entitled for a 50% reduction in the applicable tax rates for the years ended 31 December 2025 and 2024.

10. INCOME TAX EXPENSE (CREDIT) (Continued)**PRC CIT (Continued)**

For the year ended 31 December 2023, Yaotang (Shenzhen) Network Technology Co., Ltd (“**Yaotang Shenzhen**”) and Jilin Haiqi Network Technology Co., Ltd (“**Jilin Haiqi**”) qualified as a DSE under the CIT Law. According to relevant tax regulations, Yaotang (Shenzhen) and Jilin Haiqi are exempted from CIT for two years, followed by a 50% reduction in the applicable tax rates for the next three years if the criteria of DSE are met each year, commencing from 2023, the first profitable year. Therefore, Yaotang Shenzhen and Jilin Haiqi were exempted from CIT for the year ended 31 December 2024 and entitled for a 50% reduction in the applicable tax rates for the year ended 31 December 2025.

According to policy promulgated by the State Tax Bureau of the PRC and effective from the year 2018 onwards, enterprises engage in research and development activities are entitled to claim 175% of the research and development expenses incurred in a year as tax deductible expenses in determining the taxable income for that year (“**Super Deduction**”). The State Tax Bureau of the PRC adjusted the Super Deduction to 200% of the research and development expenses incurred in a year and the new policy was effective on 1 January 2023. Jiaxiang Interactive and Jilin Xinze Network Technology Company Limited (“**Jilin Xinze**”) have claimed such Super Deduction in ascertaining its tax assessable profits for both years.

The income tax expense (credit) for the year can be reconciled to the profit (loss) before income tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2025 RMB'000	2024 RMB'000
Profit (loss) before income tax	119,733	(91,542)
Tax at income tax rate of 25%	29,933	(22,886)
Tax effect of expenses not deductible for tax purpose	6,455	6,696
Tax effect of tax losses not recognized	23,173	32,147
Tax effect of deductible temporary differences not recognized	4,031	7,836
Utilization of tax losses and deductible temporary differences previously not recognized	—	(47)
Tax effect of share of results of associates and joint ventures	10,198	7,532
Effect of Super Deduction	(10,697)	(26,556)
Effect of preferential tax rate	(25,527)	(16,443)
Under (over) provision in prior years	1,914	(3,600)
Total	39,480	(15,321)

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11. PROFIT (LOSS) FOR THE YEAR

Profit (loss) for the year has been arrived at after charging:

	2025 RMB'000	2024 RMB'000
Depreciation of right-of-use assets	7,255	9,843
Depreciation of property, plant and equipment	17,947	17,282
Amortization of intangible assets (included in cost of sales and administrative and other expenses)	31,244	19,696
Auditors' remuneration		
— Audit service	2,253	2,683
— Other service	614	630
Directors' emoluments (<i>Note 13</i>)	5,748	8,176
Other staff costs:		
Salaries and other benefits	133,715	157,102
Contributions to retirement benefit scheme	5,729	5,344
Share-based payment expenses	7,390	22,298
Total staff costs	152,582	192,920

12. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 December 2025, nor has any dividend been proposed since the end of the reporting period.

During the year ended 31 December 2024, a final dividend of HK\$0.10 (equivalent to RMB0.09) per share in respect of the year ended 31 December 2023 was declared by the Board on 28 March 2024 and approved by the shareholders in the general meeting. The aggregate amount of the final dividend declared was amounted to HK\$128,340,000 (equivalent to RMB118,073,000) and was paid on 11 July 2024.

13. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance, is as follows:

(a) Executive directors' and chief executive's emoluments

Year ended 31 December 2025

Name	Fees RMB'000	Salaries and other benefits in kind and bonus RMB'000	Contributions to retirement benefit scheme RMB'000	Share-based payment expenses RMB'000	Total RMB'000
Executive directors:					
Ms. Wu	—	2,699	25	—	2,724
Mr. Ding Chunlong ("Mr. Ding")	—	1,140	25	—	1,165
Ms. Su (note ii)	—	1,308	51	—	1,359
Chief executive officer:					
Ms. Cui	—	4,587	34	1,006	5,627
Total	—	9,734	135	1,006	10,875

Year ended 31 December 2024

Name	Fees RMB'000	Salaries and other benefits in kind and bonus RMB'000	Contributions to retirement benefit scheme RMB'000	Share-based payment expenses RMB'000	Total RMB'000
Executive directors:					
Mr. Wu	—	1,096	34	—	1,130
Mr. Tang Yinghao ("Mr. Tang") (note i)	—	1,269	16	—	1,285
Mr. Ding	—	1,236	23	1,393	2,652
Mr. Su (note ii)	—	1,169	47	1,393	2,609
Chief executive officer:					
Ms. Cui	—	1,215	51	2,186	3,452
Total	—	5,985	171	4,972	11,128

Notes to the Consolidated Financial Statements

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13. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

(Continued)

(a) Executive directors' and chief executive's emoluments (Continued)

Notes:

- (i) Mr. Tang resigned as an executive director on 6 June 2024.
- (ii) Mr. Su was re-appointed as an executive director during 31 December 2024.

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

(b) Independent non-executive directors' emoluments

Year ended 31 December 2025

Name of director	Fees RMB'000	Salaries and other benefits in kind RMB'000	Contributions to retirement benefit scheme RMB'000	Total RMB'000
Independent non-executive directors:				
Mr. Hu Yangyang	200	—	—	200
Mr. Zhang Yuguo	150	—	—	150
Ms. Guo Ying	150	—	—	150
Total	500	—	—	500

Year ended 31 December 2024

Name of director	Fees RMB'000	Salaries and other benefits in kind RMB'000	Contributions to retirement benefit scheme RMB'000	Total RMB'000
Independent non-executive directors:				
Mr. Hu Yangyang	200	—	—	200
Mr. Zhang Yuguo	150	—	—	150
Ms. Guo Ying	150	—	—	150
Total	500	—	—	500

13. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS**(Continued)****(b) Independent non-executive directors' emoluments (Continued)**

The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

(c) Five highest paid individuals

The five highest paid employees of the Group during the year included three (2024: four) directors and chief executive, details of whose remuneration are set out in Note 13(a) above. Details of the remuneration for the year of the remaining two (2024: one) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2025 RMB'000	2024 RMB'000
Salaries and other benefits	1,219	204
Contributions to retirement benefit scheme	44	10
Share-based payment expenses	4,248	15,255
Total	5,511	15,469

The number of the highest paid employees who are not the directors of the Company whose remuneration fell within the following bands is as follows:

	2025 No. of employees	2024 No. of employees
HK\$1,500,001 to HK\$2,000,000	1	—
HK\$4,000,001 to HK\$4,500,000	1	—
HK\$15,000,001 to HK\$20,000,000	—	1
Total	2	1

No emoluments have been paid by the Group to the directors and chief executive of the Company or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of them has waived or agreed to waive any emoluments for both years.

Notes to the Consolidated Financial Statements

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14. EARNINGS (LOSS) PER SHARE

The calculation of the basic and diluted earnings (loss) per share attributable to owners of the Company is based on the following data:

	2025 RMB'000	2024 RMB'000
Earnings (loss) for the purpose of basic and diluted earnings (loss) per share:		
— Profit (loss) for the year attributable to owners of the Company	59,139	(74,174)
	Number of shares 2025 '000	2024 '000
Number of shares		
Weighted average number of ordinary shares in issue less shares held for future share award scheme for the purpose of basic earnings (loss) per share	1,218,976	1,248,910
Effect of dilutive potential ordinary shares in respect of		
— The Compensation Grant (as defined in Note 36(b))	—	—
— The 2021 Share Award Scheme (as defined in Note 36(c))	—	—
Weighted average number of ordinary shares for the purpose of diluted earnings (loss) per share	1,218,976	1,248,910

The computation of diluted loss per share does not consider the Company's outstanding share awards since taking them into account would result in a decrease in loss per share for the year ended 31 December 2024.

15. PROPERTY, PLANT AND EQUIPMENT

	Owned properties RMB'000	Furniture and equipment RMB'000	Motor vehicles RMB'000	Leasehold improvement RMB'000	Total RMB'000
Cost					
As at 1 January 2024	39,528	29,136	12,307	16,500	97,471
Additions	2,275	4,902	6,958	3,455	17,590
Additions on acquisition of a subsidiary (<i>Note 18(i)</i>)	—	9	—	—	9
Decrease on disposal of subsidiaries	—	(435)	(442)	(2,671)	(3,548)
Disposal to associate	—	(3,140)	—	—	(3,140)
Disposal	—	(525)	(2,849)	(1,195)	(4,569)
As at 31 December 2024	41,803	29,947	15,974	16,089	103,813
Additions	98,621	1,349	1,209	2,460	103,639
Decrease on disposal of subsidiaries	—	(574)	—	—	(574)
Disposal	—	(4,606)	(1,437)	—	(6,043)
As at 31 December 2025	140,424	26,116	15,746	18,549	200,835
Depreciation					
As at 1 January 2024	8,397	12,566	2,011	7,870	30,844
Provided for the year	1,986	8,820	3,257	3,219	17,282
Decrease on disposal of subsidiaries	—	(435)	(53)	(2,670)	(3,158)
Disposal to associate	—	(2,270)	—	—	(2,270)
Disposal	—	(458)	(2,045)	(1,195)	(3,698)
As at 31 December 2024	10,383	18,223	3,170	7,224	39,000
Provided for the year	1,986	5,936	3,593	6,432	17,947
Decrease on disposal of subsidiaries	—	(531)	—	—	(531)
Disposal	—	(3,730)	(825)	—	(4,555)
As at 31 December 2025	12,369	19,898	5,938	13,656	51,861
Carrying values					
As at 31 December 2024	31,420	11,724	12,804	8,865	64,813
As at 31 December 2025	128,055	6,218	9,808	4,893	148,974

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15. PROPERTY, PLANT AND EQUIPMENT (Continued)

The estimated residual value rates and useful lives of each class of property, plant and equipment held by the Group are as follows:

Classes	Estimated residual value rates	Useful lives
Owned properties	5%	20 years
Furniture and equipment	0%–5%	3–5 years
Motor vehicles	5%	4–10 years
Leasehold improvement	0%	Over the shorter of the term of the lease or 5 years

The carrying amount of owned properties situated in the PRC includes both the leasehold land and buildings elements, as in the opinion of the directors of the Company, allocation of the carrying amount between the leasehold land and buildings elements cannot be made reliably.

16. RIGHT-OF-USE ASSETS

	Office properties RMB'000	
Carrying amount		
As at 31 December 2025		15,892
As at 31 December 2024		20,512
	Year ended 31/12/2025 RMB'000	Year ended 31/12/2024 RMB'000
Depreciation charge	7,255	9,843
Total cash outflow for leases	8,208	10,570
Additions to right-of-use assets	4,845	16,090
Acquisition of a subsidiary	—	606
Early termination of a lease	—	6,279

The above right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life or the lease term.

16. RIGHT-OF-USE ASSETS (Continued)

For both years, the Group leases office properties for its operations. Lease contracts are entered into for fixed term of 1 to 5 years (2024: 1 to 5 years). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

In addition, lease liabilities of RMB16,847,000 are recognized with related right-of-use assets of RMB15,892,000 as at 31 December 2025 (2024: lease liabilities of RMB21,253,000 and related right-of-use assets of RMB20,512,000). The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

17. INTANGIBLE ASSETS

	Trademark RMB'000	Computer software RMB'000	Copyright of game software RMB'000	Game publishing right RMB'000	Total RMB'000
Cost					
As at 1 January 2024	1,250	956	9,031	—	11,237
Additions	—	2,450	5,302	2,039	9,791
Additions on acquisition of a subsidiary	—	—	—	42,130	42,130
Decrease on disposal of subsidiaries	—	(266)	—	—	(266)
As at 31 December 2024	1,250	3,140	14,333	44,169	62,892
Additions	—	—	4,717	687	5,404
As at 31 December 2025	1,250	3,140	19,050	44,856	68,296
Amortization					
As at 1 January 2024	583	853	8,166	—	9,602
Charge for the year	125	1,643	1,464	16,464	19,696
Decrease on disposal of subsidiaries	—	(213)	—	—	(213)
As at 31 December 2024	708	2,283	9,630	16,464	29,085
Charge for the year	125	716	4,354	26,049	31,244
As at 31 December 2025	833	2,999	13,984	42,513	60,329
Carrying values					
As at 31 December 2024	542	857	4,703	27,705	33,807
As at 31 December 2025	417	141	5,066	2,343	7,967

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17. INTANGIBLE ASSETS (Continued)

The above intangible assets have finite useful lives. Such intangible assets are amortized on a straight-line basis over the following periods:

Trademark	10 years
Computer software	2–4 years
Copyright of game software	2–3 years
Game publishing right	1.5 year, determined by the shorter of the publishing period and lifecycle of the games

18. INVESTMENTS IN ASSOCIATES

	2025 RMB'000	2024 RMB'000
Cost of investment in associates	79,210	61,100
Share of post-acquisition results, net of dividends received	(21,503)	(6,180)
Total	57,707	54,920

18. INVESTMENTS IN ASSOCIATES (Continued)

During the year ended 31 December 2025, the Group invested in four (2024: six) new associates that mainly operated in game development in the PRC with a total consideration of RMB25,107,000 (2024: RMB49,705,000). Details of the Group's major associates are as follows:

Name of entity	Place of establishment	Principal place of business	Proportion of ownership interest held by the Group at 31 December		Proportion of voting rights held by the Group at 31 December		Principal activity
			2025	2024	2025	2024	
Chongqing Huangjiu Media Co., Ltd ("Chongqing Huangjiu") (note i)	The PRC	The PRC	20%	40%	20%	40%	Game operation on short video and live streaming platforms
Qingdao Xingkongchangyou Media Co., Ltd	The PRC	The PRC	22.22%	22.22%	22.22%	22.22%	Game operation on short video and live streaming platforms
Foshan Chouwa Visual Culture Co., Ltd	The PRC	The PRC	20%	20%	20%	20%	Game operation on short video and live streaming platforms
Guangzhou Yueyang Technology Co., Ltd ("Guangzhou Yueyang") (note i)	The PRC	The PRC	20%	40%	20%	40%	Game operation
Shenzhen Jinyunshan Technology Co., Ltd	The PRC	The PRC	49%	49%	49%	49%	Research and development of online games
Hefei Xinyuwen Media Co., Ltd	The PRC	The PRC	20%	20%	20%	20%	Game operation on short video and live streaming platforms
Shenzhen Yaozuo Technology Co., Ltd ("Shenzhen Yaozuo") (note ii)	The PRC	The PRC	40%	40%	90%	90%	Operation of online games
Shenzhen Yueyang Technology Co., Ltd ("Shenzhen Yueyang")	The PRC	The PRC	49%*	40%	49%*	40%	Research and development of online games

* Approximate percentage.

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18. INVESTMENTS IN ASSOCIATES (Continued)

Notes:

- (i) During the year ended 31 December 2025, the Group disposed 20% of its interests in Chongqing Huangjiu and Guangzhou Yueyang to their respective shareholders for a total consideration of RMB5,897,000 (2024: nil).
- (ii) On 25 April 2024, the Group acquired an additional 25% equity interest in Shenzhen Yaozuo, with a total consideration of RMB14,705,000, and Shenzhen Yaozuo continued to be an associate to the Group. On 1 June 2024, the Group signed Concerted Actions Agreement with another shareholder of Shenzhen Yaozuo who holds 50% of its equity interests, in which he agreed to act under the direction of the Group and in concert with the Group in all of the decisions about the relevant activities such as operation plan and profit distribution plan. As a result, on 1 June 2024, the Group gained control over Shenzhen Yaozuo and it became a subsidiary of the Group and constituted as non-cash transaction. Shenzhen Yaozuo is principally engaged in the online game operation and was acquired with the objective of expanding the Group's relevant business.

The fair value of the net identifiable assets of Shenzhen Yaozuo at the acquisition date, amounting RMB58,820,000, was determined according to the valuation report issued by independent valuer.

Assets acquired and liabilities recognized at the date of acquisition

	1 June 2024 RMB'000
Property, plant and equipment (Note 15)	9
Intangible assets (Note 17)	42,130
Investments in associates	200
Right-of-use assets	606
Deferred tax assets	28
Trade receivables	10,354
Prepayments and other receivables	5,006
Cash and cash equivalents	27,960
Other payables	(20,196)
Tax payable	(434)
Lease liabilities	(647)
Deferred tax liabilities	(6,196)
Net assets acquired	58,820
Goodwill arising on acquisition:	
Fair value of consideration of 40% equity interest in Shenzhen Yaozuo	23,528
Non-controlling interests (Note)	35,292
Less: fair value of net identifiable assets acquired	(58,820)
Goodwill arising on acquisition	—

18. INVESTMENTS IN ASSOCIATES (Continued)

Notes: (Continued)

(ii) (Continued)

Note: The non-controlling interests in Shenzhen Yaozuo recognized at the acquisition date was measured by reference to the proportionate share of recognized amounts of net identifiable assets of Shenzhen Yaozuo which was amounting to RMB35,292,000.

Fair value of equity interest previously held in Shenzhen Yaozuo as at acquisition date

As at acquisition date, the fair value of previously equity interest in Shenzhen Yaozuo held as interest in an associate was RMB23,528,000, while the book value of previously equity interest in Shenzhen Yaozuo held as interest in an associate was RMB21,262,000, the difference of RMB2,266,000 had been recognised as a gain on remeasurement of previously held interest in an associate becoming a subsidiary and included in the other gains and losses.

The net cash inflow from the acquisition of Shenzhen Yaozuo, representing the cash and cash equivalents balances acquired, amounted to RMB27,960,000.

There were no investments in associates that are individually material. Aggregate information of the associates that are not individually material.

19. INVESTMENTS IN JOINT VENTURES

	2025 RMB'000	2024 RMB'000
Cost of investment in joint ventures	54,828	44,828
Share of post-acquisition results and other comprehensive expense	(30,720)	(5,253)
Total	24,108	39,575

Details of each of the Group's joint ventures are as follows:

Name of entity	Place of establishment	Principal place of business	Proportion of ownership interest held by the Group		Proportion of voting rights held by the Group		Principal activity
			2025	2024	2025	2024	
Beijing Zijingshu Technology Co., Ltd	The PRC	The PRC	29.79%	29.79%	29.79%	29.79%	Game promotion on short video and live streaming platform
Guangzhou Xinze Food Technology Co., Ltd	The PRC	The PRC	49%	49%	49%	49%	Manufacturing and sales of energy drinks

There were no investments in joint ventures that are individually material. Aggregate information of the joint ventures that are not individually material.

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20. EQUITY INSTRUMENTS AT FVTOCI

	2025 RMB'000	2024 RMB'000
Unlisted investments		
— Equity securities (<i>note</i>)	45,402	33,439

Note: The above unlisted equity investments represent the Group's equity interests ranging from 2% to 40% in seven private entities established in the PRC as at 31 December 2025 (31 December 2024: ranging from 2% to 40% in seven private entities). These investments are not considered to be associates or joint ventures of the Group because the Group has no right to appoint any director of the investees to participate in the financial and operating policy decision or decision about the relevant activities of the investees. The directors of the Company have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realizing their performance potential in the long run. As at 31 December 2025, four (2024: two) of the investments are with minimal carrying value and details of the fair value measurement of the remaining investments are set out in Note 41.

21. DEFERRED TAX ASSETS/LIABILITIES

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	2025 RMB'000	2024 RMB'000
Deferred tax assets	66,697	65,933
Deferred tax liabilities	(1,626)	(3,786)
	65,071	62,147

21. DEFERRED TAX ASSETS/LIABILITIES (Continued)

The following is the major deferred tax asset (liabilities) recognized and movements thereon during the current year:

	Fair value change of equity investment at FVTOCI RMB'000	Undistributed profits of subsidiaries RMB'000	Fair value change of financial assets at FVTPL RMB'000	Tax losses RMB'000	Valuation of game publishing right RMB'000	Timing difference of costs and expenses RMB'000	Excess advertising expenses RMB'000	Impairment losses under ECL model RMB'000	Right-of- use assets RMB'000	Lease liabilities RMB'000	Total RMB'000
As at 1 January 2024	1,731	(200)	549	2,103	—	(88)	30,885	1,575	(4,985)	5,189	36,759
(Charge) credit to profit or loss	—	200	(2,582)	8,521	2,410	(29)	13,957	10,711	(145)	125	33,168
Charge to other comprehensive income	(581)	—	—	—	—	—	—	—	—	—	(581)
Increase on acquisition of a subsidiary (Note 18(i))	—	—	—	—	(6,196)	—	—	—	—	—	(6,196)
Decrease on disposal of subsidiaries	—	—	—	—	—	—	—	(1,003)	—	—	(1,003)
As at 31 December 2024	1,150	—	(2,033)	10,624	(3,786)	(117)	44,842	11,283	(5,130)	5,314	62,147
(Charge) credit to profit or loss	—	—	1,248	(7,242)	3,786	—	(2,015)	7,091	1,155	(1,102)	2,921
Charge to other comprehensive income	3	—	—	—	—	—	—	—	—	—	3
As at 31 December 2025	1,153	—	(785)	3,382	—	(117)	42,827	18,374	(3,975)	4,212	65,071

At the end of the reporting period, the Group has unused tax losses of approximately RMB225,265,000 (2024: RMB194,383,000) available for offset against future profits. A deferred tax asset has been recognized in respect of approximately of nil (2024: RMB61,810,000) of such losses. No deferred tax asset has been recognized in respect of the remaining approximately RMB225,265,000 (2024: RMB132,573,000) due to the unpredictability of future profit streams. The unrecognized tax losses are losses with expiry dates as disclosed in the following table.

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21. DEFERRED TAX ASSETS/LIABILITIES (Continued)

	2025 RMB'000	2024 RMB'000
2026	3,985	3,985
2029	128,588	128,588
2030	92,692	—
	225,265	132,573

At the end of the reporting period, the Group has deductible temporary differences of RMB456,028,000 (2024: RMB456,923,000) in connection to the excess advertising expenses. A deferred tax asset has been recognized in respect of approximately RMB297,508,000 (2024: RMB298,789,000) of such deductible temporary differences. No deferred tax asset has been recognized in relation to the remaining approximately RMB158,520,000 (2024: RMB158,134,000) as it is not probable that the deductible temporary differences can be utilized to reduce the taxable profit in the future.

Under the CIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to RMB1,956,796,000 as at 31 December 2025 (2024: RMB1,857,166,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

22. RECEIVABLES FOR DISPOSAL OF SUBSIDIARIES

	2025 RMB'000	2024 RMB'000
Receivables on disposal of:		
Jilin Yuke Network Technology Company Limited ("Jilin Yuke") (Note i)	—	9,650
Others (Note ii)	12,000	12,000
	12,000	21,650
Less: Allowance for credit losses	(9,336)	(4,800)
Total	2,664	16,850
Analysed as:		
Current	2,664	11,350
Non-current	—	5,500
Total	2,664	16,850

22. RECEIVABLES FOR DISPOSAL OF SUBSIDIARIES (Continued)

Notes:

- (i) During the year ended 31 December 2022, the Group entered into a sale agreement with Jilin Xinyue Network Technology Limited ("Jilin Xinyue") to dispose of its 100% equity interest in Jilin Yuke that carried out majority of the Group's private game room cards operations. The fair value of the deferred consideration of Jilin Yuke was determined by discounting the consideration of RMB111,600,000 using the discount rate of 6.44% per annum.

During the year ended 31 December 2024, RMB42,203,000 was early settled, which resulted in a gain on early repayment of RMB1,782,000 recognized in other gains and losses. During the year ended 31 December 2025, interest income of RMB347,000 (2024: RMB2,008,000) were recognized. The remaining deferred considerations amounted to RMB9,650,000 as at 31 December 2024 and being fully repaid during the year ended 31 December 2025.

- (ii) During the year ended 31 December 2024, the Group disposed of certain subsidiaries to independent third parties, for a total consideration of RMB12,000,000. These subsidiaries had an aggregated net assets of RMB1,372,000 at the disposal date, and the disposal resulted a gain on disposal of amounted to RMB10,628,000.

Details of impairment assessment of receivables on disposal of subsidiaries are set out in Note 40.

23. RECEIVABLES FOR DISPOSAL OF ASSOCIATES

	2025 RMB'000	2024 RMB'000
Receivables on disposal of:		
Jilin Xinyue (Note i)	84,580	96,989
Chengdu Weiyang (Note ii)	10,000	10,000
	94,580	106,989
Less: Allowance for credit losses	(10,000)	—
	84,580	106,989
Analysed as:		
Current	30,460	106,989
Non-current	54,120	—
Total	84,580	106,989

23. RECEIVABLES FOR DISPOSAL OF ASSOCIATES (Continued)

Notes:

- (i) On 30 June 2023, the Group disposed all its interest in Jilin Xinyue and Jilin Anrui Network Technology Co., Ltd to entities controlled by Mr. Luo Wei, an independent third party, for consideration of RMB99,900,000 and RMB35,100,000 respectively. The total consideration amounted to RMB135,000,000 (the **"Original Consideration"**) will be settled on 31 May 2025. The fair value of the total consideration is determined by discounting the consideration of RMB116,372,000 using the discount rate of 8.05% per annum. This transaction has resulted in the Group recognizing a loss of RMB16,781,000 during the year ended 31 December 2023.

As at 31 December 2024, the receivables for disposal of associates was RMB96,989,000 and presented under current assets on the consolidated statement of financial position and an interest income of RMB7,379,000 was recognized in other income for the year ended 31 December 2024.

On 1 June 2025, the Group signed a supplementary contract with the entity controlled by Mr. Luo Wei to revise the payment date of the outstanding consideration amounting to RMB99,900,000. According to the supplementary contract, RMB20,000,000 will be settled each year from 2025 to 2028 and RMB19,900,000 will be settled in 2029, which constituted derecognition of receivables for disposal of an associate. The fair value of the outstanding total consideration amounting to RMB89,549,000 at the derecognition date is determined by discounting the consideration using the discount rate of 5.25% per annum and is recognized as new receivables and the difference amounting to RMB10,351,000 was recognized in other gains and losses as the loss on derecognition of receivables for disposal of an associate.

Subsequent to the agreement signed on 1 June 2025, the Group further entered into a supplementary agreement in December 2025 with the same counterparty, which revised the repayment schedule for the 2025 and 2026 installments. The 2025 repayment amount was reduced to RMB5,100,000 and being fully repaid during the year ended 31 December 2025 while the remaining balances of RMB14,900,000 was deferred and will be settled together with the original 2026 installment during year ended 31 December 2026, which constituted non-substantial modification of receivables for disposal of an associate. The difference amounting to RMB2,984,000 was recognized in other gains and losses as the loss on non-substantial modification of receivables for disposal of an associate.

During the year ended 31 December 2025, an interest income of RMB6,026,000 was recognized in other income.

- (ii) On 31 December 2024, the Group disposed 30% of its interest in Chengdu Weiying Interactive Culture Media Co., Ltd (**"Chengdu Weiying"**) to the major shareholder of Chengdu Weiying for a consideration of RMB10,000,000 which will be repayable within one year from the transaction date. After the disposal, as the Group ceased to have significant influence over Chengdu Weiying, the remaining equity interests became equity instruments at FVTOCI and was remeasured at fair value as at the disposal date and constituted as non-cash transactions. The difference between the total of the consideration of 30% equity interest and the fair value of 15% equity interest, amounting to RMB5,000,000, and the carrying amount of Chengdu Weiying, amounting to RMB15,000,000, was recognized in the profit or loss as gain on disposal of investments in associates.

Details of impairment assessment of receivables on disposal of associates are set out in Note 40.

24. TRADE RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade receivables	90,258	94,413
Less: Allowance for credit losses	(12)	—
Total	90,246	94,413

As at 1 January 2024, trade receivables from contracts with customers amounted to RMB150,527,000.

Trade receivables comprise receivables from distribution channels, payment vendors and advertisement agents. The credit terms of trade receivables granted to the distribution channels, payment vendors and advertisement agents are usually 0 to 60 days. Ageing analysis of trade receivables presented based on date of invoices is as follows:

	2025 RMB'000	2024 RMB'000
0–30 days	68,083	77,594
31–60 days	18,934	11,494
61–90 days	997	2,469
91–180 days	31	284
Over 180 days	2,201	2,572
Total	90,246	94,413

As at 31 December 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB4,120,000 (2024: RMB8,668,000) which are past due. Out of the past due balances, RMB2,201,000 (2024: RMB2,572,000) has been past due 90 days or more and is not considered as in default due to the history of cooperation and the sound collection history of the debtors.

Details of impairment assessment of trade receivables are set out in Note 40.

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25. FINANCIAL ASSETS AT FVTPL

	2025 RMB'000	2024 RMB'000
Non-current unlisted securities		
— Investment in partnership (<i>note i</i>)	69,815	31,243
Current listed securities held for trading		
— Equity securities listed in Shanghai Stock Exchange (the “SSE”) (<i>note ii</i>)	5,058	25,696
Current financial assets held for trading		
— Private funds (<i>note iii</i>)	200,651	129,269
— Money market fund (<i>note iv</i>)	73,215	106,461
— Structured deposit (<i>note v</i>)	73,815	132,300
	422,554	424,969
Analysed as:		
Current	352,739	393,726
Non-current	69,815	31,243
Total	422,554	424,969

Notes:

- (i) On 31 October 2022, Jiaxiang Interactive, along with other investors (each as a limited partner), Challengers Management Team (as a special limited partner), Challengers Yunteng (as a general partner) and Chuangxinyizhou (as a fund manager) entered into the partnership agreement for the formation of a partnership to carry out equity and equity-related investment with a focus on the consumer industry, corporate services and entertainment sectors. Jiaxiang Interactive, as a limited partner, committed to make capital contribution of RMB100,000,000, which accounted for 10% interest in the partnership. During the year ended 31 December 2022, Jiaxiang Interactive made a capital contribution of RMB30,000,000 to the partnership. During the year ended 31 December 2025, Jiaxiang Interactive made a capital contribution of RMB40,000,000 to the partnership. The fair value of the investment is based on the fair value of the equity and equity-related investments evaluated by the partnership management team.

25. FINANCIAL ASSETS AT FVTPL (Continued)

Notes: (Continued)

- (ii) The listed equity investments represent ordinary shares of entities listed on SSE. The investment is held for trading and its fair value is based on the quoted market price.
- (iii) The private funds mainly represent private fund products issued by private funds management companies and mainly invest in debt and equity instruments. The investment is held for trading and its fair value is based on the fund net asset value calculated by the private funds management companies.
- (iv) The money market fund represents US dollar money market fund products issued by asset management companies and mainly invest in national bonds and time deposits. The investment is held for trading and its fair value is based on the fund net asset value calculated by the money market funds management companies.
- (v) The structured deposit mainly represents structured deposit products issued by commercial banks and mainly invest in bank deposits that embedding derivative financial instruments with the price linked to gold price. The investment is held for trading and its fair value is based on the recent transaction prices.

Further details of the fair value measurements of the above investments are set out in Note 41.

26. PREPAYMENTS, OTHER RECEIVABLES AND DEPOSITS

	2025 RMB'000	2024 RMB'000
Prepayment for co-operation commissions	8,416	71,356
Prepayment for advertisement and promotion fees	19,351	43,793
Prepayment for research and development	19,338	15,040
Loans to employees (<i>Note</i>)	16,821	21,139
Value-added tax and other taxes recoverable	19,531	11,522
Rental and other deposits	8,689	8,413
Prepayment to game developers	6,198	5,863
Prepayment for server-related fees	12,121	2,637
Advances to employees	2,956	279
Others	22,110	17,287
	135,531	197,329
Less: Allowance for credit losses	(4,874)	(4,874)
Total	130,657	192,455
Analysed as:		
Non-current assets	4,810	9,573
Current assets	125,847	182,882
Total	130,657	192,455

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26. PREPAYMENTS, OTHER RECEIVABLES AND DEPOSITS (Continued)

Note: The loans to employees represents the loans advanced to employees. The loans are unsecured, interest-free and repayable on 29 April 2026, 14 August 2026, 16 September 2026, 2 January 2027 and 1 September 2027 (2024: on 5 January 2025, 31 March 2025, 29 April 2025, 24 July 2025, 31 December 2025, 2 January 2027 and 1 September 2027).

Details of impairment assessment of other receivables and deposits are set out in Note 40. The amounts disclosed above include the balance with associates, details of which are disclosed in Note 35.

27. LOAN RECEIVABLES

	2025 RMB'000	2024 RMB'000
Fixed-rate loan receivables		
— Loans to third parties (<i>Note</i>)	145,877	135,312
— Loans to associates	100,630	70,102
— Loans to joint ventures	3,030	3,000
	249,537	208,414
Less: Allowance for credit losses	(107,283)	(60,011)
Total	142,254	148,403

Note:

This balance mainly comprises of:

- (i) A short-term loan granted to an international IP-oriented game operator, which is listed at the Hong Kong Stock Exchange (the “**Listed Game Operator**”). During the first half year of 2024, the Group entered into a strategic corporation framework agreement with the Listed Game Operator on future business collaboration on game research and development and paid them a refundable earnest money amounting RMB50,000,000. Such corporation framework agreement was subsequently terminated and both parties agreed to turn the earnest money into a short loan, which is interest bearing at 3% per annum, repayable before 30 June 2025 and secured by a personal guarantee of the major shareholder of the Listed Game Operator. Part of the short-term loan amounting to RMB20,000,000 and its relevant interest were settled during the year ended 31 December 2025.

On 1 August 2025, the Company and the Listed Game Operator signed a supplementary contract to revise the repayment term of the outstanding amount. According to the supplementary contract, RMB30,000,000 will be settled on or before 30 June 2026 with interest rate of 3% per annum.

- (ii) Loans amounting RMB71,000,000 (2024: RMB71,000,000) included in loans to Chengdu Weiyang, which ceased to be an associate during the year ended 31 December 2024, as detailed in Note 23(ii). An allowance for credit losses amounting RMB21,300,000 (2024: RMB49,700,000) was recognized during the year.

27. LOAN RECEIVABLES (Continued)

The exposure of the Group's fixed-rate loan receivables to interest rate risks and their contractual maturity dates are as follows:

	2025 RMB'000	2024 RMB'000
Fixed-rate loan receivables:		
Within one year	122,152	104,403
More than one year but not more than two years	20,102	44,000
Total	142,254	148,403

The ranges of effective interest rates (which are equal to contractual interest rates) on the Group's loan receivables are as follows:

	At 31 December 2025	At 31 December 2024
Effective interest rate:		
Fixed-rate loan receivables	1.0% to 3.5%	1.0% to 3.0%

Details of impairment assessment of loan receivables are set out in Note 40.

28. CASH AND CASH EQUIVALENTS, SHORT-TERM BANK DEPOSITS AND RESTRICTED BANK DEPOSITS

All cash and cash equivalents (comprise of cash on hand and demand deposits) are denominated in RMB, except for RMB162,043,000 (2024: RMB41,200,000) denominated in United States Dollars ("US\$"), RMB2,486,000 (2024: RMB9,451,000) denominated in HK\$, nil (2024: RMB114,000) denominated in Euro ("EUR") and RMB323,000 (2024: RMB4,637,000) denominated in Singapore Dollars ("SG\$") as at 31 December 2025.

The short-term bank deposits carry interest at prevailing market rates of 1.5% (2024: 1.5%) per annum as at 31 December 2025. The balances will mature over three months but within six months from the end of the reporting period.

Restricted bank deposit represents deposit for acquisition of structured deposit with no interest.

Bank balances carry interest at market rates which range from 0.01% to 1.50% (2024: 0.01% to 1.60%) per annum.

Details of impairment assessment of cash and cash equivalents, short-term bank deposits and restricted bank deposits are set out in Note 40.

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29. OTHER PAYABLES

	2025 RMB'000	2024 RMB'000
Salaries and staff welfare payables	38,905	33,014
Selling and marketing expenses accruals	7,641	7,379
Payable to game developers (<i>note</i>)	30,838	7,273
Payable for co-operation commissions	2,385	1,709
Payable for customer service and technical support fee	1,513	665
Other taxes payable	7,176	893
Others	4,951	4,181
Total	93,409	55,114

Note: As at 31 December 2025 and 2024, the balance represents sale proceeds received from game players for which the Group acts as a distributor to be reimbursed to game developers, after deducting the commission income entitled by the Group calculated at a pre-determined rate, and refundable deposits received from game developers.

30. DEFERRED REVENUE

Deferred revenue represented service fees prepaid by the customers for the Group's self-developed mobile games in the forms of prepaid virtual tokens, for which the related services had not been rendered at the end of the reporting period. As the unsatisfied performance obligations will be recognized as revenue within one year, therefore, the deferred revenue is recognized as current liabilities.

	Virtual tokens RMB'000
As at 1 January 2024	72,965
Sales proceeds, net of tax	1,286,409
Revenue recognized during the year	(1,212,269)
As at 31 December 2024	147,105
Sales proceeds, net of tax	1,155,486
Revenue recognized during the year	(1,199,628)
As at 31 December 2025	102,963

There was no expected breakage amount recognized as revenue for both years.

Deferred revenue amounted to RMB102,963,000 as at 31 December 2025 (2024: RMB147,105,000) is expected to be recognized as revenue within one year.

31. LEASE LIABILITIES

	2025 RMB'000	2024 RMB'000
Lease liabilities payable:		
Within one year	6,049	8,365
More than one year but not more than two years	5,969	5,504
More than two years but not more than five years	4,829	7,384
	16,847	21,253
Less: Amount due for settlement within 12 months shown under current liabilities	(6,049)	(8,365)
Amount due for settlement after 12 months shown under non-current liabilities	10,798	12,888

The weighted average incremental borrowing rates applied to lease liabilities is 4.81% (2024: 5.02% per annum).

32. SHARE CAPITAL

	Par value US\$	Number of shares '000	Nominal amount US\$	Shown in the consolidated financial statements RMB'000
Authorized				
As at 1 January 2024, 31 December 2024 and 31 December 2025	0.000005	10,000,000	50,000	N/A
Issued and fully paid				
As at 1 January 2024, 31 December 2024 and 31 December 2025	0.000005	1,283,404	6,417	42

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33. RETIREMENT BENEFIT SCHEME

The employees of the Company's subsidiaries in the PRC are members of a state-managed retirement benefit scheme operated by the government of the PRC. The subsidiaries are required to contribute a certain percentage of the salaries of their employees to the state-managed retirement benefit scheme. The only obligation of the Group with respect to the retirement benefit scheme is to make the required contributions under the scheme.

During the year, the retirement benefit scheme contributions amounted to RMB5,860,000 (2024: RMB5,455,000). No forfeited contributions have been used to reduce the level of contributions during the reporting period.

34. MAJOR NON-CASH TRANSACTIONS

Other than non-cash transactions as disclosed in respective notes in the consolidated financial statements, the Group has entered the following non-cash transactions during the year ended 31 December 2025:

- (i) The Group entered into new lease agreements for the use of leased properties for 2 to 5 years. On the lease commencement, the Group recognized right-of-use assets and lease liabilities of RMB4,845,000 and RMB4,845,000, respectively (2024: RMB16,090,000 and RMB16,090,000 respectively).

35. RELATED PARTY TRANSACTIONS

The following transactions were carried out between the Group and its related parties which are the associates of the Group during the reporting period. 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 related parties.

(a) Provision of technical support services and interest income from associates and joint ventures

	2025 RMB'000	2024 RMB'000
Interest income	6,580	9,387
Technical support services	—	1,727
Game publishing services	—	1,028
Enterprise management services	—	1,402
Others	4	—
Total	6,584	13,544

35. RELATED PARTY TRANSACTIONS (Continued)**(b) Services received from associates and joint ventures**

	2025 RMB'000	2024 RMB'000
Advertising and promotion services	98,329	102,107
Co-operation commissions charged by new media institution	76,953	97,525
Revenue sharing with game developers	2,000	15,341
Research and development services	32,024	8,060
Customer service	4,546	5,957
Server-related and technical support fees	—	55
Total	213,852	229,045

(c) Amounts due from associates

	2025 RMB'000	2024 RMB'000
Loans to associates (<i>Note 27</i>)	100,630	70,102
Loans to joint ventures (<i>Note 27</i>)	3,030	3,000
Prepayment for advertisement and promotion fees	18,033	17,109
Prepayment for research and development	18,254	14,816
Prepayment for co-operation commissions	—	9,860
Others	1,003	1,000
Total	140,950	115,887

(d) Amounts due to associates

	2025 RMB'000	2024 RMB'000
Payable to game developers	5,843	2,589
Selling and marketing expenses accruals	4,367	194
Payable for customer service fee	262	21
Payable for co-operation commissions	—	355
Others	506	633
Total	10,978	3,792

35. RELATED PARTY TRANSACTIONS (Continued)**(e) Key management personnel compensations**

The compensations paid or payable to key management personnel (including executive directors, chief executive and other senior executives) for employee services are shown below:

	2025 RMB'000	2024 RMB'000
Salaries and other benefits	13,463	10,857
Contributions to retirement benefit scheme	209	343
Share-based payment expense	7,390	22,703
Total	21,062	33,903

(f) The share awards to key management personnel

7,858,454 share awards of the 2025 Share Award Scheme (defined in Note 36(e)) were granted to seven key management personnel of the Group (including directors, chief executive officer and other senior executives) during the year ended 31 December 2025 with share-based payment expenses amounting to RMB7,390,000 (included in Note 35(d) above).

Out of the 17,666,454 share awards of the 2024 Share Award Scheme (defined in Note 36(d)), 16,567,546 Share Awards were granted to eleven key management personnel of the Group (including directors, chief executive officer and other senior executives) during the year ended 31 December 2024 with share-based payment expenses amounting to RMB22,703,000 (included in Note 35(d) above).

(g) Assets disposal transaction

On 1 May 2024, Shenzhen Tongquan Technology Co., Ltd, a subsidiary of the Group, entered into an assets disposal agreement with Shenzhen Yueyang, a 40%-owned associate of the Group, pursuant to which certain assets, including 1) the research and development results of several mobile games (including the underlying software copyrights), 2) certain property plant and equipment and 3) a loan receivable, were disposed of to Shenzhen Yueyang for a total consideration of RMB10,102,000 ("**Assets Disposal Transaction**"), which represented the aggregate of an amount determined by applying a discount to the research and development costs incurred by the Group on these mobile games that were charged to the profit or loss in prior years, and the carrying amounts of the property plant and equipment and loan receivable. The consideration of RMB10,102,000 was partly settled through assuming the loan payables of Shenzhen Yueyang to other subsidiaries within the Group, amounting to RMB7,584,000. The total consideration (including the assumed loan payables to the Group) will be settled within one year. The Assets Disposal Transaction resulted in a gain on disposal of RMB9,032,000, of which RMB400,000 was eliminated against the Group's interest in Shenzhen Yueyang to the extent of its carrying amount, and the remaining RMB8,632,000 (included unrealized gain of RMB3,213,000 not eliminated) was recognized in the profit or loss during the year ended 31 December 2024. The Group will not recognize any further share of Shenzhen Yueyang's profits until Shenzhen Yueyang makes sufficient profits to cover the amount of the unrealised gain not eliminated at the time of the disposal transaction in the future.

36. SHARE-BASED PAYMENT TRANSACTIONS

(a) Share Option Scheme

A share option scheme was approved and adopted by the Company on 5 June 2019 (the “**Share Option Scheme**”). The Board (including any committee or delegate of the Board appointed by the Board to perform any of its functions pursuant to the rules of the Share Option Scheme) may, at its absolute discretion, offer to grant an option to subscribe for such number of shares as the Board may determine to an employee (whether full time or part-time) or a director of a member of the Group or associated companies of the Company (“**Eligible Persons**”).

The purpose of the Share Option Scheme is to incentivize and reward the Eligible Persons for their contribution to the Group and to align their interests with that of the Company so as to encourage them to work towards enhancing the value of the Company.

The maximum number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the total number of shares in issue as at the Listing Date, being 125,600,000 shares, or such higher limit as the Stock Exchange may allow pursuant to a waiver granted at the Stock Exchange’s discretion (the “**Scheme Mandate Limit**”). Options lapsed in accordance with the terms of the Share Option Scheme and any other share option scheme of the Company will not be counted for the purpose of calculating the Scheme Mandate Limit.

No options shall be granted to any Eligible Person under the Share Option Scheme and any other share option schemes of the Company which, if exercised, would result in such Eligible Person becoming entitled to subscribe for such number of shares as, when aggregated with the total number of shares already issued or to be issued to him under all options granted to him (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of offer of such options, exceeds 1% of the shares in issue at such date or such higher limit as the Stock Exchange may allow pursuant to a waiver granted at the Stock Exchange’s discretion.

The Share Option Scheme shall be valid and effective for a period of ten years commencing on the Listing Date, after which period no further options will be granted but the provisions of the Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any options granted prior thereto which are at that time or become thereafter capable of exercise under the Share Option Scheme, or otherwise to the extent as may be required in accordance with the provisions of the Share Option Scheme.

No dividends (including distributions made upon the liquidation of the Company) will be payable and no voting rights will be exercisable in relation to an option that has not been exercised. The shares allotted and issued on the exercise of an option will rank equally in all respects with the shares in issue on the date of allotment. They will not rank for any rights attaching to shares by reference to a record date preceding the date of allotment.

36. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) Share Option Scheme (Continued)

If an option-holder ceases to be an Eligible Person by reason of (i) his employer terminating his contract of employment in accordance with its terms or any right conferred on his employer by law, or (ii) his contract of employment, being a contract for a fixed term, expiring and not being renewed, or (iii) his employer terminating his contract for serious or gross misconduct, then any outstanding offer of an option and all options, vested or unvested, will lapse on the date the option-holder ceases to be an Eligible Person.

On 14 November 2019, the Company granted share options (the “**Share Options**”) under the Share Option Scheme to 58 eligible employees to subscribe for a total of 62,360,000 ordinary shares of US\$0.000005 each in the Company. The estimated fair value of the Share Options granted was HK\$47,452,000 (equivalent to RMB42,508,000). The vesting terms of the Share Options for each grantee is as below:

- (1) 30% of the total number of Share Options shall be vested on 14 November 2020;
- (2) 40% of the total number of Share Options shall be vested on 14 November 2021;
- (3) 30% of the total number of Share Options shall be vested on 14 November 2022.

The exercise price is determined by the directors of the Company, and will not be less than the highest of: (i) the closing price of HK\$2.07 per share as stated in the daily quotation sheets issued by the Stock Exchange on the date of grant of the Share Options, i.e. 14 November 2019, (ii) the average closing price of HK\$2.09 per share as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant of the Share Options; and (iii) the nominal value of US\$0.000005 per share.

Up to 30 September 2021, 1,600,000 Share Options granted to two option grantees were lapsed due to the termination of their employment with the Company and 60,760,000 Share Options remained outstanding (the “**Outstanding Existing Options**”). None of the Share Options were exercised by the option grantees as at 30 September 2021. The Board resolved to cancel the Outstanding Existing Options with effect from 30 September 2021 and details are disclosed in Note 36(b).

36. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(b) Compensating Share Awards

The Board resolved to cancel the Outstanding Existing Options with effect from 30 September 2021 in accordance with the terms of the Share Option Scheme with respect to cancellation of options granted but not exercised, at the request of the Option Grantees other than the two grantees whose share options have lapsed (the “**Remaining Option Grantees**”). The Company obtained consent and mutually agreed with each of the Remaining Option Grantees with respect to the arrangement and compensation for the cancellation of the Outstanding Existing Options.

As compensation for the cancellation of the Outstanding Existing Options and in accordance with the mutual agreement with each of the individual Remaining Option Grantees, the Board resolved to compensate the Remaining Option Grantees with the grant of Share Awards (the “**Compensating Share Awards**”) calculated based on the number of Outstanding Existing Options held by individual Remaining Option Grantees. Each Outstanding Existing Option held by individual Remaining Option Grantees can be compensated with 0.35, 0.50 or 0.8333 Compensating Share Awards depending on the department or product unit in which the Remaining Option Grantee serves, his seniority and his past contribution to the Group, as follow:

- 26,510,000 Outstanding Existing Options held by 26 Remaining Option Grantees were compensated by the grant of 9,278,500 Compensating Share Awards representing the same number of underlying Shares at the compensation ratio of one Outstanding Existing Option to 0.35 Compensating Share Award;
- 33,050,000 Outstanding Existing Options held by 29 Remaining Option Grantees were compensated by the grant of 16,525,000 Compensating Share Awards representing the same number of underlying Shares at the compensation ratio of one Outstanding Existing Option to 0.5 Compensating Share Award, and;
- 1,200,000 Outstanding Existing Options held by one Remaining Option Grantee were compensated by the grant of 1,000,000 Compensating Share Awards representing the same number of underlying Shares at the compensation ratio of one Outstanding Existing Option to approximately 0.8333 Compensating Share Award.

As a result, a total of 26,803,500 Compensating Share Awards representing the same number of underlying Shares were granted as compensation for the cancellation of the Outstanding Existing Options (the “**Compensation Grant**”).

36. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(b) Compensating Share Awards (Continued)

The vesting date of the Compensation Grant for each grantee:

- (1) 40% of the total number of Share Awards shall be vested on 30 April 2022;
- (2) 30% of the total number of Share Awards shall be vested on 30 April 2023; and
- (3) 30% of the total number of Share Awards shall be vested on 30 April 2024.

Other vesting conditions of the Share Award Scheme are as follows:

- (1) In respect of the vesting on 30 April 2022, (a) the Company's consolidated revenue for the year ending 31 December 2021 shall increase by 10% or more as compared with the consolidated revenue for the year ended 31 December 2020; (b) the Company's operating profit for the year ending 31 December 2021 shall account for not less than 75% of the Company's total profit for the same year; and (c) the individual grantee shall pass the annual personal performance appraisal for the year ending 31 December 2021;
- (2) In respect of the vesting on 30 April 2023, (a) the Company's consolidated revenue for the year ending 31 December 2022 shall increase by 15% or more as compared with the consolidated revenue for the year ended 31 December 2020; (b) the Company's operating profit for the year ending 31 December 2022 shall account for not less than 75% of the Company's total profit for the same year; and (c) the individual grantee shall pass the annual personal performance appraisal for the year ending 31 December 2022; and
- (3) In respect of the vesting on 30 April 2024, (a) the Company's consolidated revenue for the year ending 31 December 2023 shall increase by 20% or more as compared with the consolidated revenue for the year ended 31 December 2020; (b) the Company's operating profit for the year ending 31 December 2023 shall account for not less than 75% of the Company's total profit for the same year; and (c) the individual grantee shall pass the annual personal performance appraisal for the year ending 31 December 2023.

Details of specific vesting date and movements during the year ended 31 December 2024 of the Compensation Grant are as follows:

	Outstanding at 1/1/2024	Lapsed during the year	Vested during the year	Outstanding at 31/12/2024
Shares vested on 30 April 2022	—	—	—	—
Shares vested on 30 April 2023	—	—	—	—
Shares vested on 30 April 2024	5,538,000	375,000	5,163,000	—
	5,538,000	375,000	5,163,000	—

36. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(b) Compensating Share Awards (Continued)

As the management considered the Compensating Grant as replacement to the Share Option Scheme, the Company accounted for the Compensating Grant as a modification of the Share Option Scheme. The incremental fair value granted is the difference between the fair value of Compensating Share Awards and the fair value of the Outstanding Existing Options as at 30 September 2021. The Company adopted the market price of HK\$2.15 per share to measure the fair value of Compensating Share Awards as at 30 September 2021 and used the Binomial Option-Pricing Model to calculate the fair value of Outstanding Existing Options as at 30 September 2021.

The resulting incremental fair value, amounting HK\$7,710,000, was expensed or will be expensed over the respective modified vesting period between 30 September 2021 and the three vesting dates, i.e. 30 April 2022, 30 April 2023 and 30 April 2024, of Compensating Share Awards in the proportion of 40%, 30% and 30% respectively, in addition to the amount based on the grant date fair value of the original Share Option Scheme, which is recognized over the remainder of the original vesting period. During the year ended 31 December 2024, the Group recognized the share-based payment expense of RMB143,000 (2025: nil) in relation to the incremental fair value.

(c) 2021 Share Award Scheme

On 30 September 2021, the Board resolved to grant a total of 600,000 share awards to two grantees pursuant to the Share Award Scheme (the “**2021 Share Award Scheme**”) to recognize their contributions to the growth of the Group and to incentivize them to remain with the Group and to motivate them to strive for the future development and expansion of the Group.

The vesting date of the 2021 Share Award Scheme for each grantee:

- 40% of the total number of Share Awards shall be vested on 30 April 2022;
- 30% of the total number of Share Awards shall be vested on 30 April 2023; and
- 30% of the total number of Share Awards shall be vested on 30 April 2024.

36. SHARE-BASED PAYMENT TRANSACTIONS (Continued)**(c) 2021 Share Award Scheme (Continued)**

Other vesting conditions of the 2021 Share Award Scheme are as follows:

- (1) In respect of the vesting on 30 April 2022, (a) the Company's consolidated revenue for the year ending 31 December 2021 shall increase by 10% or more as compared with the consolidated revenue for the year ended 31 December 2020; (b) the Company's operating profit for the year ending 31 December 2021 shall account for not less than 75% of the Company's total profit for the same year; and (c) the individual grantee shall pass the annual personal performance appraisal for the year ending 31 December 2021;
- (2) In respect of the vesting on 30 April 2023, (a) the Company's consolidated revenue for the year ending 31 December 2022 shall increase by 15% or more as compared with the consolidated revenue for the year ended 31 December 2020; (b) the Company's operating profit for the year ending 31 December 2022 shall account for not less than 75% of the Company's total profit for the same year; and (c) the individual grantee shall pass the annual personal performance appraisal for the year ending 31 December 2022; and
- (3) In respect of the vesting on 30 April 2024, (a) the Company's consolidated revenue for the year ending 31 December 2023 shall increase by 20% or more as compared with the consolidated revenue for the year ended 31 December 2020; (b) the Company's operating profit for the year ending 31 December 2023 shall account for not less than 75% of the Company's total profit for the same year; and (c) the individual grantee shall pass the annual personal performance appraisal for the year ending 31 December 2023.

Details of specific vesting date and movements of 2021 Share Award Scheme during the year ended 31 December 2024 are as follows:

	Outstanding at 1/1/2024	Vested during the year	Outstanding at 31/12/2024
Shares vested on 30 April 2023	—	—	—
Shares vested on 30 April 2023	—	—	—
Shares vested on 30 April 2024	180,000	180,000	—
	180,000	180,000	—

The directors of the Company estimated the fair values of the above shares on the grant date. The fair value of the shares held for the 2021 Share Award Scheme was determined using the market price of HK\$2.15 per share as at 30 September 2021, the aggregate fair value of the shares held for the 2021 Share Award Scheme was assessed to be HK\$1,290,000 (equivalent to RMB1,075,000). During the year ended 31 December 2024, the Group recognized the share-based payment expenses of RMB45,000 in relation to the 2021 Share Award Scheme (2025: nil).

36. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(c) 2021 Share Award Scheme (Continued)

On 16 November 2021, the Company allotted and issued 27,403,500 new shares to Futu Trustee, which was appointed as an independent trustee of the share award scheme of the Company, at par value of US\$0.000005 each with the consideration amounting to RMB1,000 being funded by shareholders for the Compensation Grant and the 2021 Share Award Scheme. The shares were regarded as treasury shares before vesting and had been deducted from shareholders' equity.

During the year ended 31 December 2024, 5,163,000 shares (2025: nil) relating to Compensating Share Awards and 180,000 shares (2025: nil) relating to 2021 Share Award Scheme vested were transferred to the grantees and the remaining treasury shares was 5,521,350 shares (2024: 5,521,350 shares) as at 31 December 2025, which was held by Futu Securities as treasury shares.

(d) 2024 Share Award Scheme

On 2 April 2024, 3 June 2024 and 10 September 2024, the Board resolved to grant a total of 4,832,541, 2,173,913 and 10,660,000 share awards to 22, 1 and 1 grantees respectively pursuant to the Share Award Scheme (the **"2024 Share Award Scheme"**) to recognize their contributions to the growth of the Group and to incentivize them to remain with the Group and to motivate them to strive for the future development and expansion of the Group. The awarded shares are vested on the grant date, the fair value of the awarded shares on the grant date was RMB9,641,000, RMB4,168,000 and RMB11,087,000 using the market price of HK\$2.20 as at 2 April 2024, HK\$2.11 as at 3 June 2024 and HK\$1.14 as at 10 September 2024 per share respectively. During the year ended 31 December 2024, the Group recognized the share-based payment expenses of RMB24,896,000 in relation to the 2024 Share Award Scheme.

The above 17,666,454 awarded shares in total relating to 2024 Share Award Scheme granted during the year ended 31 December 2024 was settled by the shares repurchased by the Company on the open market through Futu Securities (as detailed in note iii to the consolidated statement of changes in equity) and shares donated by shareholders and transferred to Futu Securities (as detailed in note ii to the consolidated statement of changes in equity). As at 31 December 2024, 53,092,807 shares was held by Futu Securities as treasury shares.

(e) 2025 Share Award Scheme

On 2 April 2025 and 12 September 2025, the Board resolved to grant a total of 3,624,487 and 4,233,967 share awards to 6 and 1 grantees, respectively pursuant to the Share Award Scheme (the **"2025 Share Award Scheme"**) to recognize their contributions to the growth of the Group and to incentivize them to remain with the Group and to motivate them to strive for the future development and expansion of the Group. The awarded shares are vested on the grant date, the fair value of the awarded shares on the grant date was RMB3,645,000 and RMB3,745,000 using the market price of HK\$1.09 as at 2 April 2025 and HK\$0.97 as at 12 September 2025 per share respectively. During the year ended 31 December 2025, the Group recognized the share-based payment expenses of RMB7,390,000 in relation to the 2025 Share Award Scheme.

The above 7,858,454 awarded shares in total relating to 2025 Share Award Scheme granted during the year ended 31 December 2025 was settled by the shares repurchased by the Company on the open market through Futu Securities (as detailed in note iii to the consolidated statement of changes in equity) and shares donated by shareholders and transferred to Futu Securities (as detailed in note ii to the consolidated statement of changes in equity). As at 31 December 2025, 95,372,353 shares was held by Futu Securities as treasury shares.

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37. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Dividend payable RMB'000	Lease liabilities RMB'000	Total RMB'000
At 1 January 2024	4,800	17,805	25,554
Financing cash flows	—	(10,570)	(10,570)
New leases entered	—	16,090	16,090
Interest on lease liabilities	—	1,052	1,052
Early termination of a lease	—	(6,720)	(6,720)
Acquisition of a subsidiary	—	647	647
At 31 December 2024	4,800	21,253	26,053
Financing cash flows	(7,200)	(8,208)	(15,408)
New leases entered	—	4,845	4,845
Interest on lease liabilities	—	914	914
Disposal of a subsidiary	—	(1,957)	(1,957)
Cancellation of dividend declared to non-controlling interest	(4,800)	—	(4,800)
Dividends paid to non-controlling interest	7,200	—	7,200
At 31 December 2025	—	16,847	16,847

38. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Details of the subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below:

Names of subsidiaries	Place and date of incorporation/operation	Paid up issued/ registered capital	Equity interest attributable to the Group as at		Principal activities
			31 December 2025	2024	
<i>Directly held:</i>					
Homeland Investment Co., Ltd.	British Virgin Islands 7 May 2018	US\$0.1	100%	100%	Investment holding
<i>Indirectly held:</i>					
Homeland Entertainment & Technology Limited	Hong Kong 4 June 2018	HK\$100	100%	100%	Investment holding
Homeland PRC (note i)	The PRC, 7 August 2018	US\$1,000,000	100%	100%	Software development
Yutai Shenzhen (note i)	The PRC, 11 November 2021	RMB10,000,000	100%	100%	Software development
Yaotang Shenzhen (note i)	The PRC, 16 November 2021	RMB10,000,000	100%	100%	Software development and technical services
Jilin Haiqi (note i)	The PRC, 31 August 2022	RMB1,000,000	100%	100%	Software development and technical services
Yaotang Xiamen (note i)	The PRC, 23 December 2022	RMB10,000,000	100%	100%	Software development and technical services
<i>Controlled through contractual arrangement:</i>					
Jiaxiang Interactive (note i)	The PRC, 31 August 2015	RMB10,000,000	100%	100%	Development, publication and operation of mobile games
Jilin Xinze (note i)	The PRC, 13 November 2009	RMB10,000,000	100%	100%	Development, publication and operation of mobile games
Xiamen Youcheng Interactive Network Technology Co., Ltd ("Xiamen Youcheng") (notes i and ii)	The PRC, 22 November 2017	RMB1,000,000	40%	40%	Development, publication and operation of mobile games

Notes:

- (i) The entity is PRC limited liability company.
- (ii) On 31 August 2023, the Group disposed 20% of equity interests in Xiamen Youcheng to two individual shareholders with a total consideration of RMB2,000,000. On the same day of the disposal, the Group signed Concerted Actions Agreement with the shareholder who held 30% of equity interests of Xiamen Youcheng, who agreed to act under the direction of the Group and in concert with the Group in all of the decisions about the relevant activities such as operation plan and profit distribution plan. As a result, the Group have control on 70% of the equity interests and therefore have retained the control over Xiamen Youcheng after the disposal.

The above table lists the principal subsidiaries of the Company which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

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38. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

All subsidiaries now comprising the Group are limited liability companies and have adopted 31 December as their financial year end date.

None of the subsidiaries had issued any debt securities at the end of the reporting period or at any time during the reporting period.

39. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	2025 RMB'000	2024 RMB'000
Non-current assets		
Investments in subsidiaries	248,963	241,573
Property, plant and equipment	7	12
Right-of-use assets	134	58
Rental deposit	31	38
	249,135	241,681
Current assets		
Financial assets at FVTPL	23,186	24,803
Prepayments and other receivables	13,174	11,822
Amounts due from subsidiaries	46,969	76,528
Cash and cash equivalents	1,249	16,411
	84,578	129,564
Current liabilities		
Other payables	258	642
Amounts due to subsidiaries	422,652	376,108
Lease liabilities	135	65
	423,045	376,815
Net current liabilities	(338,467)	(247,251)
Net liabilities	(89,332)	(5,570)
Capital and reserves		
Share capital	42	42
Reserves	(89,374)	(5,612)
Total deficits	(89,332)	(5,570)

39. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (Continued)

Details of the movement in the Company's reserves are set out below:

	Share premium RMB'000	Share held for Award Scheme RMB'000	Other reserve RMB'000	Share-based payments reserve RMB'000	Retained earning (Accumulated losses) RMB'000	Total RMB'000
As at 1 January 2024	40,163	(9,551)	4	13,878	(25,437)	19,057
Profit and total comprehensive income for the year					104,148	104,148
Recognition of share-based payment expenses under the Share Option Scheme and the incremental fair value under the Compensation Grant (<i>defined in Note 36(b)</i>)	—	—	—	143	—	143
Recognition of share-based payment expenses under the 2021 Share Award Scheme (<i>defined in Note 36(c)</i>)	—	—	—	45	—	45
Recognition of share-based payment expenses under the 2024 Share Award Scheme (<i>defined in Note 36(d)</i>)	—	—	—	24,896	—	24,896
Share-based payment expenses related to the share options forfeited after the vesting date	—	—	—	(1,327)	1,327	—
Vesting of award shares under the Compensation Grant, the 2021 Share Award Scheme and the 2024 Share Award Scheme	6,142	31,493	—	(37,635)	—	—
Dividends recognized as distribution	—	—	—	—	(118,073)	(118,073)
Repurchase of shares	—	(35,828)	—	—	—	(35,828)
Shareholders donation	—	(80,437)	80,437	—	—	—
As at 31 December 2024	46,305	(94,323)	80,441	—	(38,035)	(5,612)
Loss and total comprehensive expense for the year	—	—	—	—	(8,923)	(8,923)
Recognition of share-based payment expenses under the 2025 Share Award Scheme (<i>defined in Note 36(e)</i>)	—	—	—	7,390	—	7,390
Vesting of award shares under the Compensation Grant, the 2025 Share Award Scheme	(6,074)	13,464	—	(7,390)	—	—
Repurchase of shares	—	(82,229)	—	—	—	(82,229)
As at 31 December 2025	40,231	(163,088)	80,441	—	(46,958)	(89,374)

40. CAPITAL AND FINANCIAL RISK MANAGEMENT

Capital risk management

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

The Group monitors capital by regularly reviewing the capital structure. As a part of this review, the directors of the Company consider the cost of capital and the risks associated with the issued share capital. The Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or repurchase the Company's shares. In the opinion of the directors of the Company, the Group's capital risk is low.

Financial risk management

Categories of financial instruments

	2025 RMB'000	2024 RMB'000
Financial assets		
At amortized cost	1,305,368	1,270,791
At FVTPL	422,554	424,969
Equity instruments at FVTOCI	45,402	33,439
Financial liabilities		
At amortized cost	47,328	26,007

The Group's major financial instruments include equity instruments at FVTOCI, financial assets at FVTPL, trade receivables, receivables for disposal of subsidiaries/associates, loan receivables, other receivables and deposits, restricted bank deposits, short-term bank deposits, cash and cash equivalents, other payables, dividend payable and lease liabilities. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (foreign exchange risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below.

The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

40. CAPITAL AND FINANCIAL RISK MANAGEMENT (Continued)**Financial risk management****Market risk***Foreign exchange risk*

The Group has certain cash and cash equivalents denominated in HK\$, US\$, EUR and SG\$ (2024: HK\$, US\$, EUR and SG\$), and is exposed to foreign exchange risk arising from foreign currency exchange rate fluctuation, primarily with respect to HK\$, US\$, EUR and SG\$. The Group currently does not hedge transactions undertaken in foreign currencies but manages its exposure through constant monitoring to limit as much as possible the amount of its foreign currency exposure. Foreign exchange risk arises when future commercial transactions and recognized assets are denominated in a currency that is not the entity's functional currency. The Group's finance department is responsible for monitoring and managing the net position in each foreign currency.

The carrying amounts of the Group's foreign currency denominated monetary assets at the end of the reporting period are as follows:

	2025 RMB'000	2024 RMB'000
US\$	162,043	41,200
HK\$	2,486	9,451
SG\$	323	4,637
EUR	—	114

The following table details the Group's sensitivity to a 5% (2024: 5%) increase and decrease in RMB against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% (2024: 5%) change in foreign currency rates. A positive number below indicates a decrease in post-tax profit (2024: a decrease in post-tax loss) where RMB weaken 5% (2024: 5%) against the relevant currency. For a 5% (2024: 5%) strengthening of RMB against the relevant currency, there would be an equal and opposite impact on the profit (2024: loss) and the amounts below would be negative.

	Impact 2025 RMB'000	2024 RMB'000
Profit or loss	7,261	2,477

In the management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during both years.

40. CAPITAL AND FINANCIAL RISK MANAGEMENT (Continued)

Financial risk management (Continued)

Market risk (Continued)

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to short-term bank deposits, loan receivables and lease liabilities. The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances. The Group cash flow interest rate is mainly concentrated on the fluctuation of interest rates on bank balances. The Group manages its interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook. The management considers that the exposure of fair value interest rate risk in relation to short-term bank deposits, loan receivables and lease liabilities and cash flow interest rate risk arising from variable-rate bank balances is insignificant. No sensitivity analysis is presented accordingly.

Other price risk

The Group is exposed to equity price risk through its investments in equity securities measured at FVTOCI and financial assets measured at FVTPL. The Group invested in certain unquoted equity securities for investees operating in mobile game development and operation industry sector for long term strategic purposes which had been designated as FVTOCI. The Group invested in listed and unlisted securities which are classified as FVTPL in order to increase the return on investments. Each investment is managed by senior management on a case by case basis.

The sensitivity analysis has been determined based on the exposure to equity price risk at the reporting date. If the fair value of the listed equity investments had been 5% higher/lower, the profit for the year ended 31 December 2025 would increase/decrease by RMB190,000 (2024: the loss for the year would decrease/increase by RMB964,000) as a result of the changes in the market quoted price. If the fair value of the other investments (including private funds, investments in partnership and unlisted investments) had been 5% higher/lower, the profit for the year ended 31 December 2025 would increase/decrease by RMB17,443,000 (2024: loss for the year would decrease/increase by RMB15,868,000) and other comprehensive income for the year ended 31 December 2025 would increase/decrease by RMB1,440,000 (2024: other comprehensive income for the year increase/decrease by RMB1,293,000) as a result of the changes in fair value of financial assets at FVTPL and equity instruments at FVTOCI .

Credit risk

The Group is mainly exposed to credit risk in relation to its trade receivables, receivables for disposal of subsidiaries/associates, loan receivables, other receivables and deposits, restricted bank deposits, short-term bank deposits and cash and cash equivalents.

The carrying amounts of each class of the above financial assets represent the Group's maximum exposure to credit risk in relation to financial assets.

40. CAPITAL AND FINANCIAL RISK MANAGEMENT (Continued)

Financial risk management (Continued)

Credit risk (Continued)

Trade receivables

The Group performs impairment assessment under ECL model on trade balances individually. Trade receivables with gross carrying amount of RMB90,258,000 (2024: RMB94,413,000) as at 31 December 2025 were due from the third-party games distribution channels, third-party payment vendors and advertisement agents in cooperation with the Group. If the co-operative relationships with the distribution channels, third-party payment vendors and advertisement agents are deteriorated or terminated; or if the distribution channels, third-party payment vendors and advertisement agents alter the co-operative arrangements; or if they experience financial difficulties in paying the Group, the Group's trade receivables might be adversely affected in terms of recoverability. To manage this risk, the Group maintains frequent communications with the distribution channels, third-party payment vendors and advertisement agents to ensure the effective credit controls are in place. In view of the history of cooperation with the distribution channels, third-party payment vendors and advertisement agents and the sound collection history of receivables due from them, the directors of the Company believe that the credit risk inherent in the Group's outstanding trade receivable balances due from the distribution channels, third-party payment vendors and advertisement agents is low, accordingly, no impairment is made during the reporting period.

Receivables for disposal of subsidiaries/associates

For receivables for disposal of subsidiaries/associates with an aggregate gross carrying amount of RMB106,580,000 (2024: RMB128,639,000), management makes individual assessment on the recoverability of such receivables and estimates the ECL of the receivables based on historical settlement records and past experience and determines that lifetime credit losses amounted to RMB19,336,000 was recognized (2024: RMB4,800,000).

Loan receivables, other receivables and deposits

For loan receivables with gross carrying amount of RMB249,537,000 (2024: RMB208,414,000), management makes individual assessment on the recoverability and estimates the ECL of the receivables by considering the historical credit loss experience of the debtors, guarantee provided by a third-party debtor's controlling party, the recent financial performance and profit forecast of the debtors and past experience. As a result, lifetime credit losses amounting to RMB107,283,000 was recognized in the current year (2024: RMB60,011,000).

For other receivables and deposits with an aggregate gross carrying amount of RMB47,620,000 (2024: RMB46,839,000), management makes individual assessment on the recoverability of other receivables and deposits and estimates the ECL of the balances based on historical settlement records and past experience and determines that lifetime credit losses amounting to RMB4,874,000 (2024: RMB4,874,000) was recognized.

The Group considers the probability of default upon initial recognition of financial assets and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period regarding to the trade receivables, receivables for disposal of subsidiaries/associates, loan receivables, other receivables and deposits. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available. Forward-looking information considered includes debtor's credit rating and its business, financial or economic conditions which are expected to cause a significant decrease in debtor's ability to meet its obligation.

40. CAPITAL AND FINANCIAL RISK MANAGEMENT (Continued)**Financial risk management (Continued)****Credit risk (Continued)***Restricted bank deposits, short-term bank deposits and bank balances*

Credit risk on bank balances with gross carrying amount of RMB790,735,000 (2024: RMB755,032,000), restricted bank deposits with gross carrying amount of nil (2024: RMB50,000,000) and short-term bank deposits with gross carrying amount of RMB153,029,000 (2024: RMB65,000,000) is limited because the counterparties are reputable state-owned and local banks with high credit ratings assigned by credit agencies. The Group assessed 12m ECL for bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12m ECL on bank balances is considered to be insignificant.

Liquidity risk

The Group aims to maintain sufficient cash and cash equivalents. Due to the dynamic nature of the underlying businesses, the Group's finance department maintains flexibility in funding by maintaining adequate cash and cash equivalents.

The table below analyses the Group's financial liabilities and lease liabilities into relevant maturity groupings 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.

	Weighted average interest rate %	On demand or less than 1 year RMB'000	1-2 years RMB'000	2-5 years RMB'000	Total undiscounted cash flows RMB'000	Carrying amount RMB'000
At 31 December 2025						
Other payables	—	47,328	—	—	47,328	47,328
Lease liabilities	4.81	6,695	6,327	4,987	18,009	16,847
Total		54,023	6,327	4,987	65,337	64,175
At 31 December 2024						
Other payables	—	21,207	—	—	21,207	21,207
Dividend payable	—	4,800	—	—	4,800	4,800
Lease liabilities	5.02	8,588	6,022	7,716	22,326	21,253
Total		34,595	6,022	7,716	48,333	47,260

41. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Some of the Group's financial instruments are measured at fair value for financial reporting purposes.

In estimating the fair value, the Group uses market-observable data to the extent it is available. For instruments with significant unobservable inputs under Level 3, the Group perform valuation by the management or engages third party qualified valuers to perform the valuation. The Group works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

(i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Fair value hierarchy as at 31 December 2025

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Equity instruments at FVTOCI	—	10,394	35,008	45,402
Financial assets at FVTPL	5,058	324,495	93,001	422,554

Fair value hierarchy as at 31 December 2024

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Equity instruments at FVTOCI	—	13,110	20,329	33,439
Financial assets at FVTPL	25,696	343,227	56,046	424,969

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41. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

(i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis (Continued)

Financial assets	Nature of the financial assets	Fair value as at 31/12/2025	31/12/2024	Fair value hierarchy	Valuation technique and key inputs	Significant unobservable input
Financial assets at FVTPL	Equity securities listed in SSE	RMB5,058,000	RMB25,696,000	Level 1 (2024: Level 1)	Quoted market price (2024: Quoted market price)	N/A (2024: N/A)
	Money market fund	RMB73,215,000	RMB106,461,000	Level 2 (2024: Level 2)	Price provided by the financial institutions (2024: Price provided by the financial institutions)	N/A (2024: N/A)
	Structured deposit	RMB73,815,000	RMB132,300,000	Level 2 (2024: Level 2)	Recent transaction prices (2024: Recent transaction prices)	N/A (2024: N/A)
	Private fund investing in listed equity instruments	RMB177,465,000	RMB104,466,000	Level 2 (2024: Level 2)	Price provided by the fund management company (2024: Price provided by the fund management company)	N/A (2024: N/A)
	Private fund investing in unlisted equity instruments and other assets	RMB23,186,000	RMB24,803,000	Level 3 (2024: Level 3)	Asset-based approach (2024: Asset-based approach)	Recent transaction price of the underlying assets of the fund (2024: Recent transaction price of the underlying assets of the fund)
	10 percent interest in a partnership engaged in investments on the consumer industry, corporate services and entertainment sectors	RMB69,815,000	RMB31,243,000	Level 3 (2024: Level 3)	Asset-based approach (2024: Asset-based approach)	Recent transaction price of the underlying assets of the partnership (2024: Recent transaction price of the underlying assets of the partnership)
	14 percent equity interest in Chengdu Cangmo engaged in security investment	RMB10,394,000	RMB13,110,000	Level 2 (2024: Level 2)	Recent transaction approach (2024: Recent transaction approach)	N/A (2024: N/A)
Equity instruments at FVTOCI	5 percent equity interest in Youhu Technologies (Shanghai) Co. engaged in security investment	RMB17,104,000	RMB24,100,000	Level 3 (2024: Level 3)	Market approach (2024: Market approach)	Enterprise value-to-sales: 32.72 Liquidity discount ratio: 35.51% (2024: Enterprise value-to- sales: 25.06 Liquidity discount ratio: 33.47%)
	5 percent equity interest in Spirejoy Pte. Ltd. engaged in security investment	RMB10,908,000	RMB2,999,000	Level 3 (2024: Level 3)	Net asset value (2024: Market approach)	N/A (2024: Price earnings ratio: 7.54 liquidity discount ratio: 33.50%)

41. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)**(ii) Reconciliation of Level 3 fair value measurements**

	Equity instruments at FVTPL 2025 RMB'000	2024 RMB'000
At 1 January	56,046	51,149
Purchase	40,000	—
Fair value change recognized in profit or loss	(3,045)	4,897
At 31 December	93,001	56,046

	Equity instruments at FVTOCI 2025 RMB'000	2024 RMB'000
At 1 January	20,329	—
Purchase	—	16,500
Transfer from Level 2	—	1,499
Fair value change in other comprehensive income	7,683	2,330
At 31 December	28,012	20,329

Of the total gains or losses for the year included in profit or loss, amount of RMB3,045,000 loss (2024: RMB4,897,000 gain) relates to private fund and 10 percent interest in a partnership at the end of the current reporting period. Fair value changes on private funds and 10 percent interest in a partnership are included in “other gains and losses”.

Included in other comprehensive income is an amount of RMB7,683,000 gain (2024: RMB2,330,000 gain) relating to unlisted equity securities classified as equity instruments at FVTOCI held at the end of the current reporting period and is reported as fair value changes through other comprehensive reserve.

(iii) Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis.

The directors of the Company consider that the carrying amounts of the Group's financial assets and liabilities measured at amortized cost approximate their fair values.

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42. COMMITMENT

	2025 RMB'000	2024 RMB'000
Commitments to contribute funds to		
— financial assets at FVTPL	30,000	70,000
— investments in associates	3,073	2,800
— investments in joint ventures	—	10,000
Total	32,000	82,800