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NetDragon

## **NetDragon Websoft Holdings Limited**

**網龍網絡控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 777)**

### **ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025**

#### **BUSINESS REVIEW AND OUTLOOK**

In 2025, following our strategy to ‘Fully Embrace AI’, NetDragon Websoft Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) further introduced the ‘AI Now’ strategy to fully implement our transformation. We have made encouraging progress across our core verticals of education, gaming and AI+ strategic investments across various sectors. The Company has taken initial steps of transforming into an AI organisation, advancing toward our long-term vision of becoming a global leader in AIGC. Meanwhile, we continued our operational optimisation initiatives. Our overall operating expenses for the year decreased by 22.2% YoY, while operating profit in the second half of the year increased by 47.7% YoY. We expect the benefits of cost optimisation to be further realised in 2026, laying a solid foundation for the Company’s long-term value creation.

In education AIGC, leveraging our AI Content Factory, we achieved multiple breakthroughs in product innovation, content creation and AI integration, building a digital education ecosystem centered on ‘gamified learning’ and laying a strong foundation for scalable, intelligent and immersive learning experiences. Our US-listed subsidiary, Mynd.ai has reduced the segmental operating expenses by 21.1% YoY in 2025, whilst the adjusted EBITDA loss has been reduced by 61.8% QoQ in the fourth quarter of 2025. In gaming AIGC, we are actively incubating AI-native games, expanding into new genres and exploring the next-generation gaming experiences driven by AI as the core operational logic. Our flagship IP maintained solid profitability, with the core segmental profit margin of the gaming and application services reaching 27.4%, representing an increase of 3.9 percentage points YoY, whilst the profit scale remained solid. In AI+ strategic investments, we are focusing on unlocking the potential of AI computing power and AIGC production capacity. We will continue to invest in various frontier sectors such as AI and AR.

We have also established several significant strategic collaborations to support our long-term development. We have entered into a partnership with Volcengine, ByteDance's cloud and AI service platform. Together, the two parties will build a deep competitive moat integrating technology, resources, and ecosystem in China's higher education and vocational education sectors. By scaling the production of next-generation AIGC educational resources, we aim to create a globally co-created and shared innovative education ecosystem. We established a long-term cooperation with Thailand's Ministry of Higher Education, Science, Research and Innovation (MHESI) to systematically advance an AI-driven 'Learn-to-Career' ecosystem in Thailand; With the support of the World Bank, we signed a cooperation agreement with Ministry of Secondary Education of Cameroon (MINESEC) to jointly promote the digital transformation of 250 schools across the country; In addition, our Hong Kong subsidiary Cherrypicks successfully secured the strategic investment from Zhongke WengAI, a leading AI enterprise in China, and has repositioned as the exclusive overseas expansion platform and commercialisation partner for Zhongke WengAI in overseas markets. Supported by these strategic partners, We are well placed to accelerate our progress toward becoming a global leader in AIGC creation.

Our ongoing efforts in key aspects of sustainable development, such as environmental protection, social responsibility, and corporate governance, have continued to receive widespread recognition. Recently, the Company's MSCI ESG rating was further upgraded from BBB to A, extending the strong momentum of positive achievements in ESG over the past five years. The company will continue to adhere to its long-term commitment to creating lasting and sustainable value for nature, society, and all stakeholders, including shareholders, customers, and employees.

Supported by the positive outcomes of our strategic investments and solid cash position, we remained committed to enhancing shareholder returns. The Board has approved a final dividend of HKD0.50 per ordinary share, bringing total dividends for the year to HKD1.0 per ordinary share. Since announcing a shareholder return program of no less than HKD600 million on 29 August 2025, we have fulfilled our commitment through dividends and share repurchases with the inclusion of the proposed final dividend. The core segmental profit from gaming and application services for the year remained solid at RMB897 million. As of December 2025, our net cash and liquid investments position remained robust at RMB2.0 billion. Based on our confidence in the Company's long-term sustainable development, we commit to distribute a total of no less than HKD600 million to shareholders over the next 12 months through dividends and share repurchases.

## **Gaming and Application Services**

In 2025, revenue from our gaming and application services business amounted to RMB3.3 billion, representing a decrease of 16.8% YoY. We further advanced our strategic focus in the application services business by reducing the equity interests in several subsidiaries, which contributed to the decline in segmental revenue. Segmental operating expenses for the year decreased by 22.1% YoY driven by cost savings from the AI+ strategy with the full-year impact to be realised in 2026. Core segment profit was RMB897 million, representing a decrease of 3.0% YoY only, as the lower revenue was partially offset by the benefits from cost savings for the year.

**In the gaming sector, our AIGC capabilities are now delivering tangible results, reinforcing our R&D strategy to focus on AI-native games:** Across our flagship evergreen IPs, we have fully leveraged our AIGC capabilities to further shift user activities toward content-driven and culture-driven spending, while fostering healthier community development. We also continued to explore incremental growth through format innovation and regional expansion, alongside ongoing investments in content innovation and cultural expression.

The average monthly active users (MAU) of the Eudemons IP increased by 11.1% YoY in 2025, with an increase of 7.1% in the second half of 2025 HoH. Eudemons IP has delivered both HoH and YoY MAU growth for four consecutive half-year periods, ensuring the long-term operation of this evergreen IP and significantly narrowing the YoY decline in overall gaming revenue in the second half. Revenues from Conquer IP and Heroes Evolved IP increased by 6.4% and 21.3% YoY, respectively. Among them, Conquer IP focused on the global dissemination of Chinese martial arts culture, with overseas market revenue accounting for nearly 70% of its total revenue. Heroes Evolved IP adhered to the dual engines of content innovation and esports events, with PC revenue achieving YoY growth for three consecutive years and reaching a record high in 2025.

In 2025, under the guidance of the Fujian Provincial Department of Culture and Tourism, we launched the “Digital Mountains & Seas – Game Empowering Fujian Culture & Tourism” project in collaboration with the Xinhua News Agency and other partners. Our core gaming IPs subsequently entered into cross-sector collaborations with cultural and tourism departments in Fuzhou, Quanzhou, Wuyishan, Nanping, and other regions, deeply integrating with various world heritage, intangible cultural heritage and distinctive cultural tourism IPs. By applying a range of cutting-edge AI technologies such as digital capture and game integration, we create a new paradigm for “Gaming + Culture Tourism.”

Our “AI+Gaming” strategy has been fully implemented in our operations. In 2025, segmental R&D expenses for the gaming and application service decreased by 33.2% YoY, while the share of AI-driven workload in overall game development increased to 25%. Our AI anti-cheat features have covered multiple core gameplay scenarios of Eudemons IP, further improving the in-game environment and ecosystem health. AI companion agents have been fully applied across both Conquer IP and Heroes Evolved IP, significantly improving player retention. In addition, more than 1,000 second-generation intelligent NPCs have been deployed in the Zero IP, delivering encouraging results. We have also successfully established an initial development pathway for AI-native games and built a closed-loop system comprising AI Creative Center, AI Production Center and AI Operations Center. This has significantly reduced the production cost and development cycle of new gaming products, giving us greater resources and more time to continue iterating and experimenting with new ideas, genres and gameplay while enhancing both the scale and quality of our R&D pipeline. We plan to deploy more AI agent employees, to increase the share of AI-driven workload to 50% by the end of 2026.

Looking ahead, for mature fields with fully validated business models, we will leverage our AIGC capabilities to replicate success quickly and efficiently. Furthermore, we will position AI-native games as a strategic focus, building a diversified product portfolio centered on new forms of content and user experience. In 2026, the Company plans to expand into new genres, including Match-3 and Roguelike, and will develop multiple new titles.

**In the application services sector, we are sharpening our strategic focus and accelerating commercial expansion with education AIGC:** Our AI Content Factory has achieved significant advances in automation and intelligence, substantially improving the production efficiency of foundational AIGC elements such as AI textbooks, AI courseware, resource granules, and interactive educational games while further reducing production costs. In the integration of “gamified learning” and “AI+Education,” we continue to make learning more emotionally engaging and immersive. We will remain committed to the core vision that “Knowledge is Experience, Learning is Gaming,” and continue to drive the digital transformation of education globally.

We have recently launched the AI Employee Matrix, fully reconstructing the entire content production chain. AI employees can autonomously handle the complete closed-loop workflow – spanning from creative ideation, intelligent image generation, material refinement, to video rendering – 7×24 hours without interruption. They precisely take on highly repetitive and time-sensitive tasks, enabling the rapid production of massive volumes of high-quality content. Compared with the traditional human-powered model, this approach significantly shortens production cycles, substantially reduces costs, ensures consistent quality, and enable the shift of content production from “human-driven” to “intelligence-driven”, achieving the goals of standardization, scale, and extreme speed. With the AI Employee Matrix, we are deepening human-machine collaboration, liberating productivity, allowing focus on creativity and quality enhancement, and injecting powerful new momentum of large-scale intelligent content supply into fields such as education.

Our country rollout strategy also continued to make progress. In February 2026, our strategic partnership with Thailand’s Ministry of Higher Education, Science, Research and Innovation (MHESI) was further deepened. Together, we will develop an AI-enabled learning platform, competency assessment framework, and career transition mechanism, building an AI-driven “Learn-to-Career” ecosystem that connects education, skills development and productivity enhancement, and supports Thailand in cultivating a future-ready workforce. In March 2026, the AI-enabled smart classroom jointly developed with Cameroon’s Ministry of Secondary Education (MINESEC) was successfully inaugurated in Yaoundé, the capital of Cameroon, with the Prime Minister of Cameroon and several senior government officials attending the ceremony. This project will also serve as a pilot for the scalable development of digital education across Africa.

**In addition, the Company’s strategic investments in frontier technologies and AIGC sectors continue to achieve significant progress:** The new-generation AI glasses launched by an AI edge device company we invested in recorded rapid sales growth. Our investee in group live-streaming content production also continued to lead the market, received strong support from the short-video platform, and jointly hosted major live performance events. Currently, we are further expanding our strategic investments and business synergies in various frontier sectors by leveraging AI computing power and AIGC creative capabilities. Looking ahead, our strategic investments will continue to focus on frontier technology such as AI and AR, as well as various cultural and creative industries that can be significantly empowered by AIGC, therefore strengthening synergies with our core business and cultivating new growth drivers for the Company’s long-term development.

## Mynd.ai

Notwithstanding industry-wide customer budget uncertainties and increasing challenges of global trade, we are focused on positioning Mynd.ai for future success. We have delivered a major refresh of our flagship product with the launch of our next-generation integrated solution, ActivPanel 10<sup>®</sup> and Promethean ActivSuite<sup>®</sup> software and expanded into new product categories through the introduction of ActivPanel LE and ActivPanel D-series, as well as new software and hardware partnerships. Various cost optimisation initiatives were carried out this year to improve our competitive positioning in the market and facilitate further investments in our business.

We continue to evolve our AI-enabled solution roadmap and significantly enhance the interaction of the full ecosystem of software and hardware offerings in a classroom by consolidating cutting-edge AI solutions such as Merlyn Mind and Augment Me.

The key financial highlights for Mynd.ai in 2025 are as follows:

- Revenue of RMB1.2 billion compared to RMB2.1 billion in the prior year, with the decrease primarily driven by elevated uncertainty amongst our customers regarding future budget allocations which represents an industry-wide phenomenon that affected the entire education technology market. Customer demand is expected to recover as market conditions stabilise and schools look to refresh their existing technology solutions.
- Segmental operating expenses of RMB655 million with a decrease of 21.1% YoY, as management continues to implement cost saving measures to mitigate effects of education technology market headwinds.
- Core segmental loss of RMB358 million compared to a loss of RMB297 million in the prior year. Core segmental loss for the second half of 2025 was RMB163 million, representing a 12.4% decrease YoY.

## Fiscal Year 2025 Financial Highlights

- Revenue was RMB4.5 billion, representing a 26.0% decrease YoY.
- Revenue from gaming and application services was RMB3.3 billion, representing 73.2% of the Group's total revenue and a 16.8% decrease YoY primarily attributable to the optimisation of flagship IP to support its long-term development and sustainability.
- Revenue from Mynd.ai business was RMB1.2 billion, representing 26.7% of the Group's total revenue and a 43.2% decrease YoY primarily due to the impact of disposal of Singapore early education business in the second half of 2024, and a prolonged demand adjustment cycle. Customer demand is expected to recover as market conditions stabilise.
- Gross profit was RMB3.1 billion, representing a 20.2% decrease YoY, whereas gross profit margin increased by 5.1 percentage points YoY to 70.3%.
- Operating expenses decreased by 22.2% YoY to RMB2.6 billion, reflecting the impact of our cost reduction and efficiency improvement measures, which are expected to be fully realised in 2026.
- Core segmental profit<sup>1</sup> from gaming and application services was RMB897 million, representing a 3.0% decrease YoY, as the lower revenue was partially offset by cost savings. Core segmental profit margin increased by 3.9 percentage points YoY to 27.4%.
- Core segmental loss<sup>1</sup> from Mynd.ai business was RMB358 million, compared to a loss of RMB297 million in 2024. Core segmental loss<sup>1</sup> for the second half of 2025 was RMB163 million, representing a 12.4% decrease YoY.
- Profit attributable to owners of the Company was RMB151 million, representing a 51.4% decrease YoY, affected by an impairment loss of cryptocurrencies as of 31 December 2025, as well as one-off expenses associated with the staff optimisation plan.
- The Company declared a final dividend of HKD0.50 per ordinary share (2024: HKD0.50 per ordinary share), subject to approval at the coming annual general meeting.

## Segmental Financial Highlights

| (RMB million)                             | FY2025                          |                  | FY2024                          |                  | Variance                        |                  |
|-------------------------------------------|---------------------------------|------------------|---------------------------------|------------------|---------------------------------|------------------|
|                                           | Gaming and application services | Mynd.ai business | Gaming and application services | Mynd.ai business | Gaming and application services | Mynd.ai business |
| Revenue                                   | <b>3,276</b>                    | <b>1,197</b>     | 3,938                           | 2,106            | -16.8%                          | -43.2%           |
| Gross profit                              | <b>2,852</b>                    | <b>299</b>       | 3,399                           | 547              | -16.1%                          | -45.3%           |
| Gross margin                              | <b>87.1%</b>                    | <b>25.0%</b>     | 86.3%                           | 26.0%            | +0.8ppts                        | -1.0ppts         |
| Core segmental profit (loss) <sup>1</sup> | <b>897</b>                      | <b>(358)</b>     | 925                             | (297)            | -3.0%                           | 20.5%            |
| Segmental operating expenses <sup>2</sup> |                                 |                  |                                 |                  |                                 |                  |
| – Research and development                | <b>(820)</b>                    | <b>(193)</b>     | (1,227)                         | (202)            | -33.2%                          | -4.5%            |
| – Selling and marketing                   | <b>(406)</b>                    | <b>(251)</b>     | (488)                           | (266)            | -16.8%                          | -5.6%            |
| – Administrative                          | <b>(658)</b>                    | <b>(211)</b>     | (705)                           | (362)            | -6.7%                           | -41.7%           |

*Note 1:* Core segmental profit (loss) figures are derived from the Company's reported segmental profit (loss) figures (presented in accordance with HKFRS 8), but exclude non-core/operating, non-recurring or unallocated items including redundancy payments, interest expense and exchange difference on convertible and exchangeable bonds and convertible note, impairment loss (net of reversal), fair value loss on investment properties, impairment loss and write off of intangible assets, net gain on disposal of subsidiaries, fair value gain and exchange difference on financial assets at fair value through profit or loss, government grants, fair value gain and exchange loss on derivative financial instruments, reversal of impairment loss of inventories and intangible assets, gain on deemed disposal of an associate, intercompany finance costs, underprovision of tariff expenses in prior years, project expenses, write-down of inventories and waiver of other payables.

*Note 2:* Segmental operating expenses exclude unallocated expenses/income such as directors' emoluments and certain selling and marketing and administrative expenses that have been grouped into SG&A categories on the Company's reported consolidated financial statements, but cannot be allocated to specific business segments for purpose of calculating the segmental profit (loss) figures in accordance with HKFRS 8.

## RESULTS

The board of directors of the Company announced the audited consolidated financial results of the Group for the year ended 31 December 2025 together with the comparative figures in 2024 as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

|                                                                                                                                                                                                         | <i>NOTES</i> | <b>2025</b><br><i>RMB million</i> | <b>2024</b><br><i>RMB million</i> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-----------------------------------|-----------------------------------|
| Revenue                                                                                                                                                                                                 | 4            | <b>4,475</b>                      | 6,047                             |
| Cost of revenue                                                                                                                                                                                         |              | <b>(1,329)</b>                    | (2,105)                           |
| Gross profit                                                                                                                                                                                            |              | <b>3,146</b>                      | 3,942                             |
| Other income and gains                                                                                                                                                                                  |              | <b>128</b>                        | 398                               |
| Impairment loss under expected credit loss model,<br>net of reversal                                                                                                                                    |              | <b>(25)</b>                       | 2                                 |
| Selling and marketing expenses                                                                                                                                                                          |              | <b>(659)</b>                      | (758)                             |
| Administrative expenses                                                                                                                                                                                 |              | <b>(935)</b>                      | (1,164)                           |
| Research and development costs                                                                                                                                                                          |              | <b>(1,013)</b>                    | (1,429)                           |
| Other expenses and losses                                                                                                                                                                               |              | <b>(368)</b>                      | (249)                             |
| Share of results of associates and joint ventures                                                                                                                                                       |              | <b>6</b>                          | 3                                 |
| Operating profit                                                                                                                                                                                        |              | <b>280</b>                        | 745                               |
| Interest income on pledged bank deposits                                                                                                                                                                |              | <b>32</b>                         | 13                                |
| Exchange (loss) gain on pledged bank deposits,<br>financial assets at fair value through profit or loss,<br>bank borrowings, convertible and exchangeable bonds<br>and derivative financial instruments |              | <b>(21)</b>                       | 5                                 |
| Fair value change on financial assets at fair value<br>through profit or loss                                                                                                                           |              | <b>33</b>                         | 67                                |
| Fair value change on derivative financial instruments                                                                                                                                                   |              | <b>20</b>                         | 87                                |
| Finance costs                                                                                                                                                                                           |              | <b>(132)</b>                      | (161)                             |
| Profit before taxation                                                                                                                                                                                  |              | <b>212</b>                        | 756                               |
| Taxation                                                                                                                                                                                                | 5            | <b>(176)</b>                      | (642)                             |
| Profit for the year                                                                                                                                                                                     |              | <b>36</b>                         | 114                               |

|                                                                                                             | 2025               | 2024               |
|-------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| <i>NOTE</i>                                                                                                 | <i>RMB million</i> | <i>RMB million</i> |
| Other comprehensive income (expense) for the year,<br>net of income tax:                                    |                    |                    |
| Items that may be reclassified subsequently to profit or loss:                                              |                    |                    |
| Exchange differences arising on translation of<br>foreign operations                                        | 29                 | 26                 |
| Reclassification of cumulative translation reserve<br>upon deregistration or disposal of foreign operations | (19)               | (6)                |
| Item that will not be reclassified to profit or loss:                                                       |                    |                    |
| Fair value change on equity instruments at fair<br>value through other comprehensive income                 | 13                 | (26)               |
| Other comprehensive income (expense) for the year                                                           | 23                 | (6)                |
| Total comprehensive income for the year                                                                     | <u>59</u>          | <u>108</u>         |
| Profit (loss) for the year attributable to:                                                                 |                    |                    |
| – Owners of the Company                                                                                     | 151                | 311                |
| – Non-controlling interests                                                                                 | (115)              | (197)              |
|                                                                                                             | <u>36</u>          | <u>114</u>         |
| Total comprehensive income (expense) for the year<br>attributable to:                                       |                    |                    |
| – Owners of the Company                                                                                     | 170                | 301                |
| – Non-controlling interests                                                                                 | (111)              | (193)              |
|                                                                                                             | <u>59</u>          | <u>108</u>         |
|                                                                                                             | <i>RMB cents</i>   | <i>RMB cents</i>   |
| <b>Earnings per share</b>                                                                                   | 7                  |                    |
| – Basic                                                                                                     | 28.58              | 58.60              |
| – Diluted                                                                                                   | 28.58              | 58.60              |

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AT 31 DECEMBER 2025**

|                                                                        | <b>2025</b>                    | 2024               |
|------------------------------------------------------------------------|--------------------------------|--------------------|
|                                                                        | <i>NOTE</i> <b>RMB million</b> | <i>RMB million</i> |
| <b>Non-current assets</b>                                              |                                |                    |
| Property, plant and equipment                                          | 2,249                          | 2,315              |
| Right-of-use assets                                                    | 317                            | 394                |
| Investment properties                                                  | 41                             | 50                 |
| Goodwill                                                               | 311                            | 312                |
| Intangible assets                                                      | 699                            | 784                |
| Interests in associates and joint ventures                             | 64                             | 50                 |
| Equity instruments at fair value through<br>other comprehensive income | 27                             | 8                  |
| Financial assets at fair value through profit or loss                  | 302                            | 516                |
| Loan receivables                                                       | 54                             | 29                 |
| Other receivables, prepayments and deposits                            | 286                            | 288                |
| Deferred tax assets                                                    | 1                              | –                  |
|                                                                        | <u>4,351</u>                   | <u>4,746</u>       |
| <b>Current assets</b>                                                  |                                |                    |
| Properties under development                                           | 70                             | 70                 |
| Properties for sale                                                    | 264                            | 272                |
| Inventories                                                            | 223                            | 238                |
| Financial assets at fair value through profit or loss                  | 133                            | 191                |
| Loan receivables                                                       | 189                            | 125                |
| Trade receivables                                                      | 8 303                          | 454                |
| Bills receivables                                                      | –                              | 1                  |
| Other receivables, prepayments and deposits                            | 432                            | 469                |
| Tax recoverable                                                        | 28                             | 39                 |
| Pledged bank deposits                                                  | 2,087                          | 1,114              |
| Bank deposits with original maturity over three months                 | 308                            | 215                |
| Cash and cash equivalents                                              | 1,545                          | 2,498              |
|                                                                        | <u>5,582</u>                   | <u>5,686</u>       |

|                                              |              | 2025                | 2024                |
|----------------------------------------------|--------------|---------------------|---------------------|
|                                              | <i>NOTES</i> | <i>RMB million</i>  | <i>RMB million</i>  |
| <b>Current liabilities</b>                   |              |                     |                     |
| Trade and other payables                     | 9            | 1,036               | 1,284               |
| Contract liabilities                         |              | 441                 | 454                 |
| Lease liabilities                            |              | 42                  | 58                  |
| Provisions                                   |              | 112                 | 113                 |
| Derivative financial instruments             |              | 1                   | 21                  |
| Bank borrowings                              | 10           | 2,356               | 1,729               |
| Convertible and exchangeable bonds           |              | –                   | 295                 |
| Convertible note                             |              | 428                 | 396                 |
| Tax payable                                  |              | 40                  | 64                  |
|                                              |              | <u>4,456</u>        | <u>4,414</u>        |
| <b>Net current assets</b>                    |              | <u>1,126</u>        | <u>1,272</u>        |
| <b>Total assets less current liabilities</b> |              | <u>5,477</u>        | <u>6,018</u>        |
| <b>Non-current liabilities</b>               |              |                     |                     |
| Other payables                               | 9            | 3                   | 5                   |
| Lease liabilities                            |              | 22                  | 71                  |
| Deferred tax liabilities                     |              | 64                  | 76                  |
|                                              |              | <u>89</u>           | <u>152</u>          |
| <b>Net assets</b>                            |              | <u><u>5,388</u></u> | <u><u>5,866</u></u> |
| <b>Capital and reserves</b>                  |              |                     |                     |
| Share capital                                |              | 39                  | 39                  |
| Share premium and reserves                   |              | 5,394               | 5,788               |
| Equity attributable to owners of the Company |              | 5,433               | 5,827               |
| Non-controlling interests                    |              | (45)                | 39                  |
|                                              |              | <u><u>5,388</u></u> | <u><u>5,866</u></u> |

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

|                                                                                    | <b>2025</b><br><i>RMB million</i> | 2024<br><i>RMB million</i> |
|------------------------------------------------------------------------------------|-----------------------------------|----------------------------|
| <b>NET CASH FROM OPERATING ACTIVITIES</b>                                          | <b>378</b>                        | 1,052                      |
| <b>INVESTING ACTIVITIES</b>                                                        |                                   |                            |
| Purchase of property, plant and equipment                                          | <b>(145)</b>                      | (166)                      |
| Purchase of intangible assets                                                      | <b>(379)</b>                      | (595)                      |
| Placement of bank deposits with original maturity<br>over three months             | <b>(418)</b>                      | (219)                      |
| Withdrawal of bank deposits with original maturity<br>over three months            | <b>325</b>                        | 333                        |
| Investments in associates and joint ventures                                       | <b>(1)</b>                        | (5)                        |
| Net cash (outflow) inflow on disposal of subsidiaries                              | <b>(19)</b>                       | 101                        |
| Placement of pledged bank deposits                                                 | <b>(2,368)</b>                    | (1,106)                    |
| Withdrawal of pledged bank deposits                                                | <b>1,395</b>                      | 307                        |
| Interest received                                                                  | <b>56</b>                         | 68                         |
| Repayment of loan receivables                                                      | <b>21</b>                         | 20                         |
| Proceeds from disposal of property, plant and equipment                            | <b>2</b>                          | 3                          |
| Proceeds from disposal of intangible assets                                        | <b>236</b>                        | 588                        |
| Proceeds from disposal of right-of-use assets                                      | <b>–</b>                          | 2                          |
| Purchase of financial assets at fair value through profit or loss                  | <b>(1,868)</b>                    | (3,013)                    |
| Proceeds from disposal of financial assets at fair value<br>through profit or loss | <b>2,187</b>                      | 2,928                      |
| Purchase of equity instruments at fair value through<br>other comprehensive income | <b>(5)</b>                        | –                          |
| Advance of loan receivables                                                        | <b>(112)</b>                      | (125)                      |
| Disposal of partial interest to a non-controlling interest                         | <b>–</b>                          | 4                          |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b>                                       | <b>(1,093)</b>                    | (875)                      |

|                                                                                                    | 2025<br><i>RMB million</i> | 2024<br><i>RMB million</i> |
|----------------------------------------------------------------------------------------------------|----------------------------|----------------------------|
| <b>FINANCING ACTIVITIES</b>                                                                        |                            |                            |
| New bank borrowings raised                                                                         | 2,106                      | 1,790                      |
| Redemption of convertible and exchangeable bonds                                                   | (293)                      | —                          |
| Repayment of bank borrowings                                                                       | (1,466)                    | (1,098)                    |
| Dividends paid                                                                                     | (487)                      | (453)                      |
| Repayment of lease liabilities                                                                     | (60)                       | (99)                       |
| Payment for purchase of treasury shares                                                            | (55)                       | —                          |
| Contribution from non-controlling interests                                                        | 10                         | —                          |
| Acquisition of additional equity interests from<br>non-controlling interests of subsidiaries       | (4)                        | (10)                       |
| <b>NET CASH (USED IN) FROM FINANCING ACTIVITIES</b>                                                | <u>(249)</u>               | <u>130</u>                 |
| <b>NET (DECREASE) INCREASE IN CASH AND<br/>CASH EQUIVALENTS</b>                                    | <b>(964)</b>               | <b>307</b>                 |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING<br/>OF THE YEAR</b>                                      | <b>2,498</b>               | <b>2,241</b>               |
| <b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>                                                     | <u>11</u>                  | <u>(50)</u>                |
| <b>CASH AND CASH EQUIVALENTS AT END OF<br/>THE YEAR, REPRESENTED BY BANK BALANCES<br/>AND CASH</b> | <b><u>1,545</u></b>        | <b><u>2,498</u></b>        |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

## 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 29 July 2004 as an exempted company with limited liability and its shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Its immediate and ultimate holding company is DJM Holding Ltd. and its controlling shareholders are Dr. Liu Dejian and Mr. Liu Luyuan. The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business is Units 2001-05 & 11, 20/F, Harbour Centre, 25 Harbour Road, Wan Chai, Hong Kong.

The Company is an investment holding company. The principal activities of the Group are engaged in (i) gaming and application services, (ii) overseas education business (“Mynd.ai business”); and (iii) property development business.

The consolidated financial statements are presented in Renminbi (“RMB”), which is the same as the functional currency of the Company.

## 2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). 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 and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments and investment properties that are measured at fair values at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

## 3. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

### *Amendments to a HKFRS Accounting Standard that are mandatorily effective for the current year*

In the current year, the Group has applied the following amendments to a HKFRS Accounting Standard as issued by the HKICPA for the first time, which is mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

|                       |                         |
|-----------------------|-------------------------|
| Amendments to HKAS 21 | Lack of Exchangeability |
|-----------------------|-------------------------|

The application of the amendments to a HKFRS 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.

### ***New and amendments to HKFRS Accounting Standards in issue but not yet effective***

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

|                                                                         |                                                                                                                                                                       |
|-------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Amendments to HKFRS 9 and HKFRS 7                                       | Amendments to the Classification and Measurement of Financial Instruments <sup>2</sup>                                                                                |
| Amendments to HKFRS 9 and HKFRS 7<br>Amendments to HKFRS 10 and HKAS 28 | Contracts Referencing Nature-dependent Electricity <sup>2</sup><br>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup> |
| Amendments to HKFRS Accounting Standards                                | Annual Improvements to HKFRS Accounting Standards – Volume 11 <sup>2</sup>                                                                                            |
| HKFRS 18                                                                | Presentation and Disclosure in Financial Statements <sup>3</sup>                                                                                                      |

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027.

Except for the HKFRS 18 “Presentation and Disclosure in Financial Statements” which are expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements, the directors of the Company anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

#### **4. REVENUE AND SEGMENT INFORMATION**

##### **Types of goods and services**

|                                                                            | <b>For the year ended 31 December 2025</b>     |                             |                                 |                           |
|----------------------------------------------------------------------------|------------------------------------------------|-----------------------------|---------------------------------|---------------------------|
|                                                                            | <b>Gaming and<br/>application<br/>services</b> | <b>Mynd.ai<br/>business</b> | <b>Property<br/>development</b> | <b>Total</b>              |
|                                                                            | <b><i>RMB million</i></b>                      | <b><i>RMB million</i></b>   | <b><i>RMB million</i></b>       | <b><i>RMB million</i></b> |
| Revenue from sales of pre-paid game cards for online and mobile games      | <b>2,897</b>                                   | –                           | –                               | <b>2,897</b>              |
| Sales of education equipment and related goods                             | <b>81</b>                                      | <b>1,134</b>                | –                               | <b>1,215</b>              |
| Revenue from educational services                                          | <b>238</b>                                     | <b>63</b>                   | –                               | <b>301</b>                |
| Revenue from provision of mobile solution, products and marketing services | <b>60</b>                                      | –                           | –                               | <b>60</b>                 |
| Revenue from property development                                          | –                                              | –                           | <b>2</b>                        | <b>2</b>                  |
|                                                                            | <b><u>3,276</u></b>                            | <b><u>1,197</u></b>         | <b><u>2</u></b>                 | <b><u>4,475</u></b>       |

|                                                                            | For the year ended 31 December 2024                         |                                           |                                               |                             |
|----------------------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------|-----------------------------------------------|-----------------------------|
|                                                                            | Gaming and<br>application<br>services<br><i>RMB million</i> | Mynd.ai<br>business<br><i>RMB million</i> | Property<br>development<br><i>RMB million</i> | Total<br><i>RMB million</i> |
| Revenue from sales of pre-paid game cards for online and mobile games      | 3,425                                                       | –                                         | –                                             | 3,425                       |
| Sales of education equipment and related goods                             | 242                                                         | 1,773                                     | –                                             | 2,015                       |
| Revenue from educational services                                          | 193                                                         | 333                                       | –                                             | 526                         |
| Revenue from provision of mobile solution, products and marketing services | 78                                                          | –                                         | –                                             | 78                          |
| Revenue from property development                                          | –                                                           | –                                         | 3                                             | 3                           |
|                                                                            | <u>3,938</u>                                                | <u>2,106</u>                              | <u>3</u>                                      | <u>6,047</u>                |

### Segment information

Information reported to the Group’s chief operating decision makers (“CODM”), being the executive directors of the Company, for the purpose of resource allocation and assessment of segment performance, was based on the geographical locations of the customers.

Specifically, the Group’s reportable segments under HKFRS 8 “Operating Segments” in the current year are as follows:

- Gaming and application services: Internet and technology-enabled services, including gaming and software and related or ancillary services;
- Mynd.ai business: Overseas education business; and
- Property development.

The following is an analysis of the Group’s revenue and results by reportable segments:

|                                           | For the year ended 31 December 2025                         |                                           |                                               |                             |
|-------------------------------------------|-------------------------------------------------------------|-------------------------------------------|-----------------------------------------------|-----------------------------|
|                                           | Gaming and<br>application<br>services<br><i>RMB million</i> | Mynd.ai<br>business<br><i>RMB million</i> | Property<br>development<br><i>RMB million</i> | Total<br><i>RMB million</i> |
| Segment revenue                           | <u>3,276</u>                                                | <u>1,197</u>                              | <u>2</u>                                      | <u>4,475</u>                |
| Segment profit (loss)                     | <u>751</u>                                                  | <u>(441)</u>                              | <u>(7)</u>                                    | <u>303</u>                  |
| Unallocated other income and gains        |                                                             |                                           |                                               | 75                          |
| Unallocated corporate expenses and losses |                                                             |                                           |                                               | <u>(166)</u>                |
| Profit before taxation                    |                                                             |                                           |                                               | <u>212</u>                  |

For the year ended 31 December 2024

|                                           | Gaming and<br>application<br>services<br><i>RMB million</i> | Mynd.ai<br>business<br><i>RMB million</i> | Property<br>development<br><i>RMB million</i> | Total<br><i>RMB million</i> |
|-------------------------------------------|-------------------------------------------------------------|-------------------------------------------|-----------------------------------------------|-----------------------------|
| Segment revenue                           | <u>3,938</u>                                                | <u>2,106</u>                              | <u>3</u>                                      | <u>6,047</u>                |
| Segment profit (loss)                     | <u>863</u>                                                  | <u>(279)</u>                              | <u>(8)</u>                                    | 576                         |
| Unallocated other income and gains        |                                                             |                                           |                                               | 257                         |
| Unallocated corporate expenses and losses |                                                             |                                           |                                               | <u>(77)</u>                 |
| Profit before taxation                    |                                                             |                                           |                                               | <u>756</u>                  |

The accounting policies of the operating segments are the same as the Group's accounting policies.

Segment profit (loss) represents the profit earned by or loss incurred from each segment without allocation of unallocated other income and gains, and corporate expenses and losses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

All of the segment revenue reported above are from external customers.

The following is an analysis of the Group's assets by reportable and operating segments:

|                                 | <b>2025</b><br><i>RMB million</i> | 2024<br><i>RMB million</i> |
|---------------------------------|-----------------------------------|----------------------------|
| Gaming and application services | <b>6,619</b>                      | 6,340                      |
| Mynd.ai business                | <b>1,346</b>                      | 1,932                      |
| Property development            | <u>765</u>                        | <u>757</u>                 |
| Total segment assets            | <b>8,730</b>                      | 9,029                      |
| Unallocated                     | <u>1,203</u>                      | <u>1,403</u>               |
|                                 | <u><b>9,933</b></u>               | <u>10,432</u>              |

For the purposes of monitoring segment performance and allocating resources, all assets are allocated to operating segments other than those assets managed on group basis, such as certain financial assets at FVTPL, certain loan receivables, certain intangible assets, certain pledged bank deposits, certain other receivables, prepayments and deposits and certain cash and cash equivalents. No analysis of the Group's liabilities by operating segments is disclosed as they are not regularly provided to the CODM for review.

## 5. TAXATION

|                                                 | <b>2025</b><br><i>RMB million</i> | 2024<br><i>RMB million</i> |
|-------------------------------------------------|-----------------------------------|----------------------------|
| The tax charge (credit) comprises:              |                                   |                            |
| Hong Kong Profits Tax                           |                                   |                            |
| – Current year                                  | 20                                | 54                         |
| – Underprovision in prior years                 | –                                 | 1                          |
|                                                 | <u>20</u>                         | <u>55</u>                  |
| PRC Enterprise Income Tax                       |                                   |                            |
| – Current year                                  | 133                               | 133                        |
| – Withholding tax                               | 24                                | 1                          |
| – Underprovision (overprovision) in prior years | 4                                 | (7)                        |
|                                                 | <u>161</u>                        | <u>127</u>                 |
| Taxation in other jurisdictions                 |                                   |                            |
| – Current year                                  | 5                                 | 4                          |
| – Underprovision in prior years                 | –                                 | 5                          |
|                                                 | <u>5</u>                          | <u>9</u>                   |
| Deferred taxation                               |                                   |                            |
| – Current year                                  | (10)                              | 451                        |
|                                                 | <u>176</u>                        | <u>642</u>                 |

## 6. DIVIDENDS

|                                                                                      | <b>2025</b><br><i>RMB million</i> | 2024<br><i>RMB million</i> |
|--------------------------------------------------------------------------------------|-----------------------------------|----------------------------|
| Dividends recognised as distribution during the year:                                |                                   |                            |
| 2024 Final – Hong Kong dollar (“HKD”) 0.50<br>(2024: 2023 Final – HKD0.40) per share | 246                               | 193                        |
| 2025 Interim – HKD0.50<br>(2024: 2024 Interim – HKD0.40) per share                   | 241                               | 194                        |
|                                                                                      | <u>487</u>                        | <u>387</u>                 |

The 2025 final dividend of HKD0.50 (2024: HKD0.50) per share which has been proposed by the directors in the board meeting on 26 March 2026 and is subject to approval by the shareholders in the forthcoming annual general meeting, amounted to approximately RMB238 million.

## 7. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

|                                                                                                                                                                                                                                 | <b>2025</b><br><i>RMB million</i> | 2024<br><i>RMB million</i> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|----------------------------|
| Earnings for the purpose of basic and diluted earnings per share:                                                                                                                                                               |                                   |                            |
| – Profit for the year attributable to the owners of the Company                                                                                                                                                                 | <u>151</u>                        | <u>311</u>                 |
|                                                                                                                                                                                                                                 | <b>Number of shares</b>           |                            |
|                                                                                                                                                                                                                                 | <b>2025</b><br><b>'000</b>        | 2024<br><b>'000</b>        |
| Weighted average number of shares in issue during the year for the purpose of basic earnings per share and diluted earnings per share (after adjusted for the effect of unvested treasury shares held under share award scheme) | <u>529,968</u>                    | <u>531,074</u>             |

## 8. TRADE RECEIVABLES

|                                  | <b>2025</b><br><i>RMB million</i> | 2024<br><i>RMB million</i> |
|----------------------------------|-----------------------------------|----------------------------|
| Trade receivables                | 342                               | 481                        |
| Less: Allowance of credit losses | <u>(39)</u>                       | <u>(27)</u>                |
|                                  | <u>303</u>                        | <u>454</u>                 |

As at 1 January 2024, trade receivables from contracts with customers amounted to RMB702 million.

The Group generally allows a credit period ranging from 30 days to 60 days to its distribution and payment channels/trade customers.

The following is an aged analysis of trade receivables net of allowance for credit losses presented based on the date of delivery of goods/date of rendering of services which approximated the respective revenue recognition dates.

|               | <b>2025</b><br><i>RMB million</i> | 2024<br><i>RMB million</i> |
|---------------|-----------------------------------|----------------------------|
| Trade debtors |                                   |                            |
| 0 – 30 days   | 155                               | 224                        |
| 31 – 60 days  | 51                                | 52                         |
| 61 – 90 days  | 27                                | 26                         |
| Over 90 days  | <u>70</u>                         | <u>152</u>                 |
|               | <u>303</u>                        | <u>454</u>                 |

## 9. TRADE AND OTHER PAYABLES

|                                                        | <b>2025</b><br><i>RMB million</i> | 2024<br><i>RMB million</i> |
|--------------------------------------------------------|-----------------------------------|----------------------------|
| Trade payables                                         | 320                               | 382                        |
| Accrued staff costs                                    | 226                               | 324                        |
| Deferred income                                        | 7                                 | 9                          |
| Other tax payables                                     | 20                                | 31                         |
| Payables for purchase of property, plant and equipment | 158                               | 166                        |
| Consideration payables                                 | 3                                 | 3                          |
| Accrued expenses                                       | 101                               | 137                        |
| Others                                                 | 204                               | 237                        |
|                                                        | <u>1,039</u>                      | <u>1,289</u>               |
|                                                        | <u><u>1,039</u></u>               | <u><u>1,289</u></u>        |
| Analysed for financial reporting purpose:              |                                   |                            |
| Non-current                                            | 3                                 | 5                          |
| Current                                                | 1,036                             | 1,284                      |
|                                                        | <u>1,039</u>                      | <u>1,289</u>               |
|                                                        | <u><u>1,039</u></u>               | <u><u>1,289</u></u>        |

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period.

|                | <b>2025</b><br><i>RMB million</i> | 2024<br><i>RMB million</i> |
|----------------|-----------------------------------|----------------------------|
| 0 – 90 days    | 183                               | 171                        |
| 91 – 180 days  | 91                                | 142                        |
| 181 – 365 days | 3                                 | 23                         |
| Over 365 days  | 43                                | 46                         |
|                | <u>320</u>                        | <u>382</u>                 |
|                | <u><u>320</u></u>                 | <u><u>382</u></u>          |

## 10. BANK BORROWINGS

The carrying amounts of the bank borrowings are repayable based on scheduled repayment dates as follows:

|                                                                                                                 | <b>2025</b><br><i>RMB million</i> | 2024<br><i>RMB million</i> |
|-----------------------------------------------------------------------------------------------------------------|-----------------------------------|----------------------------|
| Within one year                                                                                                 | 1,511                             | 1,380                      |
| The carrying amounts of bank borrowings that contain a repayable on demand clause but repayable within one year | <u>845</u>                        | <u>349</u>                 |
| Amounts shown under current liabilities                                                                         | <u><b>2,356</b></u>               | <u><b>1,729</b></u>        |

The exposure of the Group's bank borrowings is as follows:

|                          | <b>2025</b><br><i>RMB million</i> | 2024<br><i>RMB million</i> |
|--------------------------|-----------------------------------|----------------------------|
| Variable-rate borrowings | 66                                | 128                        |
| Fixed-rate borrowings    | <u>2,290</u>                      | <u>1,601</u>               |
|                          | <u><b>2,356</b></u>               | <u><b>1,729</b></u>        |
| Secured                  | <u>2,356</u>                      | 1,718                      |
| Unsecured                | <u>-</u>                          | <u>11</u>                  |
|                          | <u><b>2,356</b></u>               | <u><b>1,729</b></u>        |

As at 31 December 2025 and 2024, the borrowings were secured by pledge of certain properties, right-of-use assets and pledged bank deposits of the Group, corporate guarantee provided by the Company and corporate guarantee provided by its subsidiaries.

## LIQUIDITY AND CAPITAL RESOURCES

As at 31 December 2025, the Group had pledged bank deposits, bank deposits with original maturity over three months and cash and cash equivalents of approximately RMB3,940 million (31 December 2024: RMB3,827 million). The gearing ratio (consolidated bank borrowings/consolidated total equity) was 0.44 (31 December 2024: 0.29). As at 31 December 2025, total bank borrowings of the Group amounted to approximately RMB2,356 million (31 December 2024: RMB1,729 million) which included variable-rate loan of RMB66 million (31 December 2024: RMB128 million) and fixed-rate loan of RMB2,290 million (31 December 2024: RMB1,601 million). The bank borrowings of RMB2,356 million (31 December 2024: RMB1,718 million) were secured by pledge of certain properties, right-of-use assets and pledged bank deposits of the Group and corporate guarantee provided by the Company and its subsidiaries, no bank borrowings (31 December 2024: RMB11 million) were unsecured.

As at 31 December 2025, the Group had net current assets of approximately RMB1,126 million as compared with approximately RMB1,272 million as at 31 December 2024.

## STAFF INFORMATION

For the year under review, the breakdown of the number of employees of the Group is set out below:

|                                                | At<br><b>31 December</b><br><b>2025</b> | At<br>30 June<br>2025 | At<br>31 December<br>2024 |
|------------------------------------------------|-----------------------------------------|-----------------------|---------------------------|
| Research and development                       | <b>1,360</b>                            | 1,556                 | 2,505                     |
| Selling and marketing                          | <b>415</b>                              | 539                   | 669                       |
| Accounting, finance and general administration | <b>775</b>                              | 793                   | 856                       |
| Production                                     | <b>511</b>                              | 520                   | 563                       |
| Total                                          | <b><u>3,061</u></b>                     | <b><u>3,408</u></b>   | <b><u>4,593</u></b>       |

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2025, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong) (“SFO”)), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under provisions of the SFO), or which were required to be entered in the register kept by the Company pursuant to Section 352 of the SFO or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”), to be notified to the Company and the Stock Exchange, were as follows:

| Name of Director              | Name of Company                                           | Capacity and nature of interests                                              | Number of shares and underlying shares held or amount of registered capital contributed<br>(Note 1) | Approximate percentage of shareholding |
|-------------------------------|-----------------------------------------------------------|-------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|----------------------------------------|
| Liu Dejian (Note 2)           | The Company                                               | Beneficial owner, through a controlled corporation and beneficiary of a trust | 216,384,938 (L)                                                                                     | 40.73%                                 |
|                               |                                                           | Deemed interests of treasury shares held by the Company                       | 5,333,500 (L)                                                                                       | 1.00%                                  |
| Leung Lim Kin, Simon (Note 3) | The Company                                               | Beneficial owner and beneficiary of a trust                                   | 6,139,040 (L)                                                                                       | 1.16%                                  |
| Liu Luyuan (Note 2)           | The Company                                               | Beneficial owner and founder of a trust                                       | 216,384,938 (L)                                                                                     | 40.73%                                 |
|                               |                                                           | Deemed interests of treasury shares held by the Company                       | 5,333,500 (L)                                                                                       | 1.00%                                  |
| Liu Luyuan                    | Fujian NetDragon Websoft Co., Ltd. (“NetDragon (Fujian)”) | Beneficial owner                                                              | RMB21,311,000 (L)                                                                                   | 0.07%                                  |
| Chen Hongzhan (Note 4)        | The Company                                               | Beneficial owner and beneficiary of certain trust                             | 11,197,019 (L)                                                                                      | 2.11%                                  |

| Name of Director                 | Name of Company | Capacity and nature of interests | Number of shares and underlying shares held or amount of registered capital contributed<br>(Note 1) | Approximate percentage of shareholding |
|----------------------------------|-----------------|----------------------------------|-----------------------------------------------------------------------------------------------------|----------------------------------------|
| Lin Yun (Note 5)                 | The Company     | Beneficial owner                 | 1,211,100 (L)                                                                                       | 0.23%                                  |
| Liu Sai Keung, Thomas (Note 6)   | The Company     | Beneficial owner                 | 500,019 (L)                                                                                         | 0.09%                                  |
| Li Sing Chung, Matthias (Note 7) | The Company     | Beneficial owner                 | 2,000 (L)                                                                                           | 0.0004%                                |

*Notes:*

1. The letter “L” denotes the shareholder’s long position in the shares, underlying shares and share capital of the relevant member of the Group. The calculation is based on the total number of Shares in issue and include treasury shares.
2. Liu Dejian is interested in 100% of the issued voting shares of DJM Holding Ltd., which in turn is interested in 35.97% of the issued voting shares of the Company (the “Share(s)”). Liu Dejian is also interested in 0.39% of the Shares which is represented by beneficial interest of 1,884,000 Shares and a beneficiary of a trust of 197,019 Shares.

Liu Luyuan is interested in 4.37% of the Shares which is represented by interest held as founder of a trust holding in aggregate of 21,541,819 Shares, and the rest being beneficial interest of 1,684,000 Shares.

Pursuant to the concert party agreement between Liu Dejian and Liu Luyuan, Liu Dejian and Liu Luyuan are deemed to be interested in 40.73% of the Shares through their direct and deemed shareholding in all of DJM Holding Ltd., a trust in favour of Liu Luyuan, a trust in favour of Liu Dejian and their respective shares held as beneficial owner in each of their personal capacities.

As at 31 December 2025, there were 5,333,500 Shares repurchased and held as treasury shares. Liu Dejian, Liu Luyuan and DJM Holding Ltd., who control more than one-third of the voting power at the general meetings of the Company, are taken to have an interest in these treasury shares of the Company.

3. Leung Lim Kin, Simon is interested in 1.16% of the Shares which is represented by beneficial interest of 1,899,040 Shares, a beneficiary of a trust of 240,000 Shares, and the rest being the underlying shares of interest of 4,000,000 share options granted by the Company.
4. Chen Hongzhan is interested in 2.11% of the Shares which is represented by personal interest of 156,200 shares and interest held as a beneficiary of certain trust holding in aggregate of 11,040,819 Shares.
5. Lin Yun is interested in 0.23% of the Shares which is represented by personal interest of 1,211,100 Shares.
6. Liu Sai Keung, Thomas is interested in 0.09% of the Shares which is represented by personal interest of 300,019 Shares and the rest being underlying shares of interest of 200,000 share options granted by the Company.
7. Li Sing Chung, Matthias is interested in 0.0004% of the Shares which is represented by personal interest of 2,000 Shares.

Save as disclosed above, to the best knowledge of the Directors, as at 31 December 2025, none of the Directors and chief executive of the Company had any interest and short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be entered in the register kept by the Company pursuant to Section 352 of the SFO or which were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

## **SUBSTANTIAL SHAREHOLDERS' INTERESTS AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES**

So far as is known to the Directors, as at 31 December 2025, the following persons (other than a Director or chief executive of the Company) had, or were deemed or taken to have 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 were required to be entered in the register kept by the Company under Section 336 of the SFO or, who were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

| <b>Name of Shareholder</b> | <b>Name of Company</b> | <b>Capacity and nature of interests</b>                          | <b>Number of shares and underlying shares held or amount of registered capital contributed<br/>(Note 1)</b> | <b>Approximate percentage of shareholding</b> |
|----------------------------|------------------------|------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| DJM Holding Ltd.           | The Company            | Beneficial owner                                                 | 191,078,100 (L)                                                                                             | 35.97%                                        |
|                            |                        | Deemed interests of treasury shares held by the Company (Note 2) | 5,333,500 (L)                                                                                               | 1.00%                                         |

*Notes:*

1. The letter “L” denotes the shareholder’s long position in the share capital of the relevant member of the Group. The calculation is based on the total number of Shares in issue and include treasury shares.
2. As at 31 December 2025, there were 5,333,500 Shares repurchased and held as treasury shares. Liu Dejian, Liu Luyuan and DJM Holding Ltd., who control more than one-third of the voting power at the general meetings of the Company, are taken to have an interest in these treasury shares of the Company.

Save as disclosed above, the Directors are not aware of any persons (other than a Director or chief executive of the Company) who had, or were deemed or taken to have 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 were required to be entered in the register kept by the Company under Section 336 of the SFO or who were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group as at 31 December 2025.

## **SHARE SCHEMES**

At the annual general meeting of the Company held on 6 June 2024, the shareholders of the Company approved the adoption the 2024 share option scheme (the “2024 Share Option Scheme”) and the 2024 share award scheme (the “2024 Share Award Scheme”) (together, the “Existing Share Schemes”). Further details of the Existing Share Schemes are set out in the circular of the Company dated 24 April 2024.

The total number of shares available for issue under the Existing Share Schemes shall not exceed 52,766,253, representing 10.03% of the Shares (excluding treasury shares) as at the date of this announcement.

As at 31 December 2025, no share options and 360,000 awarded shares were granted under the Existing Share Schemes. The total number of share options and awarded shares available for grant under the Existing Share Schemes as at 1 January 2025 and 31 December 2025 were 53,126,253 and 52,766,253 respectively. The total number of share options and awarded shares available for grant to the service providers (as defined under the Existing Share Schemes) under the Existing Share Schemes as at 1 January 2025 and 31 December 2025 was 5,312,625.

Details of share option schemes and share award scheme of the Company are set out below.

## Share Option Scheme

The Company adopted the 2024 Share Option Scheme on 6 June 2024 to replace its previous share option scheme. The share option schemes adopted by the Company on 24 May 2018 (the “2018 Share Option Scheme”) and 12 June 2008 (the “2008 Share Option Scheme”) were terminated on 6 June 2024 and 24 May 2018 respectively. The outstanding share options granted under the 2018 Share Option Scheme and the 2008 Share Option Scheme shall remain valid and exercisable according to the terms of the schemes.

The 2024 Share Option Scheme was adopted for the purpose to enable the Company to grant share options to eligible participants (being the employee of the Company or any related entities, and the services providers) as incentives or rewards for their contribution or potential contribution to the Group. Unless early terminated by the Board, the 2024 Share Option Scheme shall be valid and effective for a term of ten years commencing on 6 June 2024.

As at 31 December 2025, no share options were granted under the 2024 Share Option Scheme. Details of the movements of the outstanding share options under the 2008 Share Option Scheme and the 2018 Share Option Scheme during the year ended 31 December 2025 are as follows:

### 2008 Share Option Scheme

| Grantee                                          | Date of grant | Exercise Price<br><i>HKD</i> | As at          | Number of share options |           |           |                | As at            |
|--------------------------------------------------|---------------|------------------------------|----------------|-------------------------|-----------|-----------|----------------|------------------|
|                                                  |               |                              | 1 January 2025 | Granted                 | Exercised | Cancelled | Lapsed         | 31 December 2025 |
| <b>Independent non-executive Directors</b>       |               |                              |                |                         |           |           |                |                  |
| Lee Kwan Hung, Eddie<br>(retired on 5 June 2025) | 31.03.2017    | 23.65                        | 100,000        | -                       | -         | -         | 100,000        | 0                |
| Liu Sai Keung, Thomas                            | 31.03.2017    | 23.65                        | 100,000        | -                       | -         | -         | -              | 100,000          |
| <b>Others</b>                                    |               |                              |                |                         |           |           |                |                  |
| Employees                                        | 31.03.2017    | 23.65                        | 100,000        | -                       | -         | -         | 100,000        | 0                |
| <b>Total</b>                                     |               |                              | <u>300,000</u> | <u>-</u>                | <u>-</u>  | <u>-</u>  | <u>200,000</u> | <u>100,000</u>   |

## 2018 Share Option Scheme

| Grantee                                          | Date of grant | Exercise Price<br>HKD | As at            | Number of share options |           |           |                  | As at            |
|--------------------------------------------------|---------------|-----------------------|------------------|-------------------------|-----------|-----------|------------------|------------------|
|                                                  |               |                       | 1 January 2025   | Granted                 | Exercised | Cancelled | Lapsed           | 31 December 2025 |
| <b>Executive Director</b>                        |               |                       |                  |                         |           |           |                  |                  |
| Leung Lim Kin, Simon                             | 24.01.2020    | 21.07                 | 4,000,000        | -                       | -         | -         | -                | 4,000,000        |
| <b>Independent non-executive Directors</b>       |               |                       |                  |                         |           |           |                  |                  |
| Lee Kwan Hung, Eddie<br>(retired on 5 June 2025) | 24.01.2020    | 21.07                 | 100,000          | -                       | -         | -         | 100,000          | 0                |
| Liu Sai Keung, Thomas                            | 24.01.2020    | 21.07                 | 100,000          | -                       | -         | -         | -                | 100,000          |
| <b>Others</b>                                    |               |                       |                  |                         |           |           |                  |                  |
| Employees                                        | 24.01.2020    | 21.07                 | <u>1,100,000</u> | <u>-</u>                | <u>-</u>  | <u>-</u>  | <u>1,100,000</u> | <u>0</u>         |
| <b>Total</b>                                     |               |                       | <u>5,300,000</u> | <u>-</u>                | <u>-</u>  | <u>-</u>  | <u>1,200,000</u> | <u>4,100,000</u> |

Note 1: Share options granted on 31 March 2017 were vested from 31 March 2018 to 31 March 2020, 25% of which were vested on the first anniversary of the date of grant, 25% were vested on the second anniversary of the date of grant, and 50% were vested on the third anniversary of the date of grant. The share options are exercisable from the relevant vesting dates until 30 March 2027.

Note 2: Share options granted on 24 January 2020 to the independent non-executive Directors were vested from 24 January 2021 to 24 January 2023, with one-third of the share options vested on the first, second and third anniversary of the date of grant. The remaining share options granted to grantees on 24 January 2020 were vested from 24 January 2021 to 24 January 2024, with 25% of the share options vested on each anniversary of the date of grant. All share options granted on 24 January 2020 are exercisable from the relevant vesting dates until 23 January 2030.

## Share Award Scheme

The Company adopted the 2024 Share Award Scheme on 6 June 2024 to replace the share award scheme that was adopted on 2 September 2008 and extended on 31 August 2018 (the “2008 Share Award Scheme”). The Board may, at their discretion, select any eligible participant (being the employee of the Company or any related entities, and the services providers) for participation in the 2024 Share Award Scheme. Unless early terminated by the Board, the 2024 Share Award Scheme shall be valid and effective for a term of ten years commencing on 6 June 2024.

Pursuant to the rules of the 2024 Share Award Scheme, the Group has signed an agreement with Bank of Communications Trustee Limited (the “Trustee”), for the purpose of administering the 2024 Share Award Scheme and holding the awarded shares before they are vested.

The awarded shares, will be transferred to the selected participants at nil consideration, subject to receipt by the Trustee of (i) transfer documents duly signed by the Trustee and the selected participants within the period stipulated in the vesting notice issued by the Trustee to the selected participants; and (ii) a confirmation letter from the Company that all vesting conditions having been fulfilled.

Subject to the acceptance by the relevant selected participants, such transferred awarded shares may be held by the selected participants in their own names or such nominees, including any trustees, as designated by the selected participants.

As at 31 December 2025, 360,000 awarded shares were granted under the 2024 Share Award Scheme. Details of the outstanding awarded shares under the 2024 Share Award Scheme during the year ended 31 December 2025 are as follows:

| Grantee                   | Date of grant | Number of awarded shares |         |         |           |        | As at 31 December 2025 | Vesting Period          |
|---------------------------|---------------|--------------------------|---------|---------|-----------|--------|------------------------|-------------------------|
|                           |               | As at 1 January 2025     | Granted | Vested  | Cancelled | Lapsed |                        |                         |
| <b>Executive Director</b> |               |                          |         |         |           |        |                        |                         |
| Leung Lim Kin, Simon      | 02.04.2025    | –                        | 360,000 | 120,000 | –         | –      | 240,000                | 02.04.2025 – 02.04.2027 |
|                           |               | –                        | 360,000 | 120,000 | –         | –      | 240,000                |                         |

Note 1: Purchase price is not applicable as the awarded shares under the 2024 Share Award Scheme are granted at nil consideration.

Note 2: The closing price of the Shares immediately before the date on which the awarded shares were granted on 2 April 2025 was HKD10.48.

Note 3: The weighted average closing price of the Shares immediately before the dates on which the awarded shares were vested was HKD10.48.

Note 4: The fair value of the awarded shares granted on 2 April 2025 was HKD4 million. It is determined based on the closing market price of the Shares as at the date of grant.

For the awarded shares granted under the 2024 Share Award Scheme, the amounts to be recognised as expenses are determined by reference to the fair value of the awarded shares granted, taking into account all market performance conditions such as the Company's share price and non-vesting conditions associated with the grants as at the date of grant, excluding the impact of any service and non-market performance vesting conditions. The total expense amount is recognised over the relevant vesting periods. At the end of each reporting period, the Group revises its estimates of the number of awarded shares that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated income statement, with a corresponding adjustment to equity.

## **ISSUE OF SECURED CONVERTIBLE AND EXCHANGEABLE BONDS BY BEST ASSISTANT AND ISSUE OF UNLISTED WARRANT UNDER SPECIFIC MANDATE**

On 10 November 2019, the Company, Best Assistant Education Online Limited (“Best Assistant”), NetDragon Websoft Inc. (“NetDragon BVI”), Digital Train Limited (“Digital Train”), Promethean World Limited, Nurture Education (Cayman) Limited (the “Investor”), Madison Pacific Trust Limited as the agent and the security agent entered into the bond and warrant purchase agreement (the “Purchase Agreement”), pursuant to which (i) Best Assistant agreed to issue to the Investor and the Investor agreed to purchase the convertible and exchangeable bonds (the “Convertible and Exchangeable Bonds”) in the aggregate principal amount of USD150 million (equivalent to approximately HKD1,174.5 million); and (ii) simultaneously with the issue of the Convertible and Exchangeable Bonds, the Company would issue to the Investor the unlisted warrants. The issue of Convertible and Exchangeable Bonds and the Warrants to the Investor is a strategic collaboration with the Investor, an institutional investor with extensive experience and active investments in the Greater China education sector.

Closing of the Purchase Agreement took place on 9 March 2020, and Best Assistant has issued to the Investor, Convertible and Exchangeable Bonds which can be converted to 279,510,479 ordinary shares of Best Assistant, representing 11.16% of the total outstanding share capital of Best Assistant on a fully diluted and as-converted basis, and the Company has issued the unlisted warrant to the Investor which can be converted to 11,502,220 warrant shares of the Company (the “Unlisted Warrant”). As a result of the payment of the Company’s dividend and pursuant to the relevant warrant instrument, the subscription price of the relevant warrant instrument is adjusted from HKD21.1998 to HKD19.6698 on 28 February 2022, and further adjusted to HKD18.8698 on 31 October 2022. The net proceeds raised from the issuance of Convertible and Exchangeable Bonds and warrants were also applied and fully utilized as intended.

The unlisted warrant was expired on 8 March 2025. The Convertible and Exchangeable Bonds were matured on 9 March 2025 and redeemed by Best Assistant. As at 31 December 2025, no Convertible and Exchangeable Bonds were converted into ordinary shares of Best Assistant and no warrants were converted into Shares of the Company.

## **MODEL CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings as set out in the Model Code under Appendix C3 to the Listing Rules. The Company confirms that, having made specific enquiry of all Directors, all the Directors have confirmed that they have complied with the required standard of dealings as set out on the Model Code under Appendix C3 to the Listing Rules and the code of conduct of the Company regarding securities transactions by the Directors for the year ended 31 December 2025.

## **FINAL DIVIDEND**

At the Board meeting held on Thursday, 26 March 2026, it was proposed that a final dividend of HKD0.50 per share for the year ended 31 December 2025, amounting to approximately RMB238 million, be paid on or before Friday, 31 July 2026 to the shareholders of the Company whose names appear on the Company's register of members at the close of business on Monday, 8 June 2026. The proposed final dividend is subject to the approval by the shareholders of the Company at the forthcoming annual general meeting (the "2026 AGM") to be held on Monday, 1 June 2026.

## **CLOSURE OF REGISTER OF MEMBERS**

### **(a) For determining the entitlement to attend and vote at the 2026 AGM**

The Company's register of members will be closed from Wednesday, 27 May 2026 to Monday, 1 June 2026, both days inclusive, during which time no transfer of shares will be registered. In order to ensure that the shareholders are entitled to attend and vote at the AGM, the shareholders must deliver their duly stamped instruments of transfer, accompanied by the relevant share certificates, to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by no later than 4:30 p.m. on Tuesday, 26 May 2026 for registration of the relevant transfer.

### **(b) For determining the entitlement to the proposed final dividend**

The record date for the final dividend will be Monday, 8 June 2026. The Board has recommended the payment of a final dividend of HKD0.50 per share for the year ended 31 December 2025 to shareholders whose names appear on the register of members of the Company on Monday, 8 June 2026 subject to the approval of the shareholders of the Company at the AGM. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Monday, 8 June 2026 to Tuesday, 9 June 2026, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Friday, 5 June 2026.

## **PUBLICATION OF FINAL RESULTS AND 2025 ANNUAL REPORT**

The final results announcement of the Company is published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://ir.nd.com.cn>). The annual report will be dispatched to the shareholders of the Company and will be available on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://ir.nd.com.cn>) in due course.

## **ANNUAL GENERAL MEETING**

The 2026 AGM will be held on Monday, 1 June 2026. A notice convening the 2026 AGM will be published and dispatched to the shareholders of the Company in accordance with the requirements of the Listing Rules in due course.

## **COMPETITION AND CONFLICT OF INTERESTS**

None of the Directors or any of their respective associates (as defined under the Listing Rules) has interest in any business that competes or may compete, either directly or indirectly, with the businesses of the Group, or has any other conflict of interests with the Group as at the date of this announcement.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

Throughout the year under review, the Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

## **SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of cash flows and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year as approved by the Board of Directors on 26 March 2026. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

## **AUDIT COMMITTEE**

The Company established the audit committee (the "Audit Committee") on 15 October 2007 which has adopted written terms of reference in compliance with the Listing Rules. The primary duties of the Audit Committee are to review and supervise our financial reporting process and internal control systems, which include financial, operational and compliance controls and risk management functions.

The Audit Committee reviews the interim and annual consolidated financial results of the Group. In addition, the Audit Committee also reviews and approves the pricing policy and the performance for the continued connected transactions and connected transactions relating to structure contracts, other contracts and control documents of the Group.

Our Audit Committee comprises three independent non-executive Directors, namely Li Sing Chung Matthias, Liu Sai Keung, Thomas and Lo Wing Yan, William. Li Sing Chung Matthias is the chairman of the Audit Committee.

The terms of reference of the Audit Committee are posted on the websites of the Stock Exchange and the Company. The Group's audited consolidated financial statements for the year ended 31 December 2025 have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures have been made.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 December 2025, the Company bought back a total of 5,333,500 shares on the Stock Exchange at an aggregate consideration of HKD60 million before expenses. All such shares have not been cancelled and are held as treasury shares up to the date of this report. The repurchases were made for the benefit of the Company and its shareholders as a whole with a view to enhancing the earnings per share of the Company.

Details of the share buy-backs are as follows:

| Month of purchase | Number of ordinary shares bought back | Price per share       |                      | Aggregate consideration paid<br><i>HKD million</i> |
|-------------------|---------------------------------------|-----------------------|----------------------|----------------------------------------------------|
|                   |                                       | Highest<br><i>HKD</i> | Lowest<br><i>HKD</i> |                                                    |
| August 2025       | 500,000                               | 10.71                 | 10.35                | 5                                                  |
| September 2025    | 1,762,500                             | 11.78                 | 10.54                | 19                                                 |
| October 2025      | 900,000                               | 13.00                 | 12.09                | 11                                                 |
| November 2025     | 2,171,000                             | 12.30                 | 10.90                | 25                                                 |

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities during the year ended 31 December 2025.

As at 31 December 2025, the Company held 5,333,500 treasury shares. The Company intends to use the treasury shares, when the Company considers to be necessary and expedient, for (i) the settlement of the underlying shares upon the exercise and/or vesting of share awards pursuant to the share schemes adopted by the Company; and (ii) the sale of treasury shares subject to the compliance with the Listing Rules.

By order of the Board  
**NetDragon Websoft Holdings Limited**  
**Liu Dejian**  
*Chairman*

Hong Kong, 26 March 2026

*As at the date of this announcement, the Board comprises five executive Directors, namely Dr. Liu Dejian, Dr. Leung Lim Kin Simon, Mr. Liu Luyuan, Mr. Chen Hongzhan and Ms. Lin Yun; one non-executive Director, namely Mr. Lin Dongliang; and three independent non-executive Directors, namely Mr. Li Sing Chung Matthias, Mr. Liu Sai Keung, Thomas and Dr. Lo Wing Yan, William.*