



**火岩控股**  
FIRE ROCK HOLDINGS

**火岩控股有限公司**  
**FIRE ROCK HOLDINGS LIMITED**

(Incorporated in the Cayman Islands with limited liability)  
Stock code : 1909

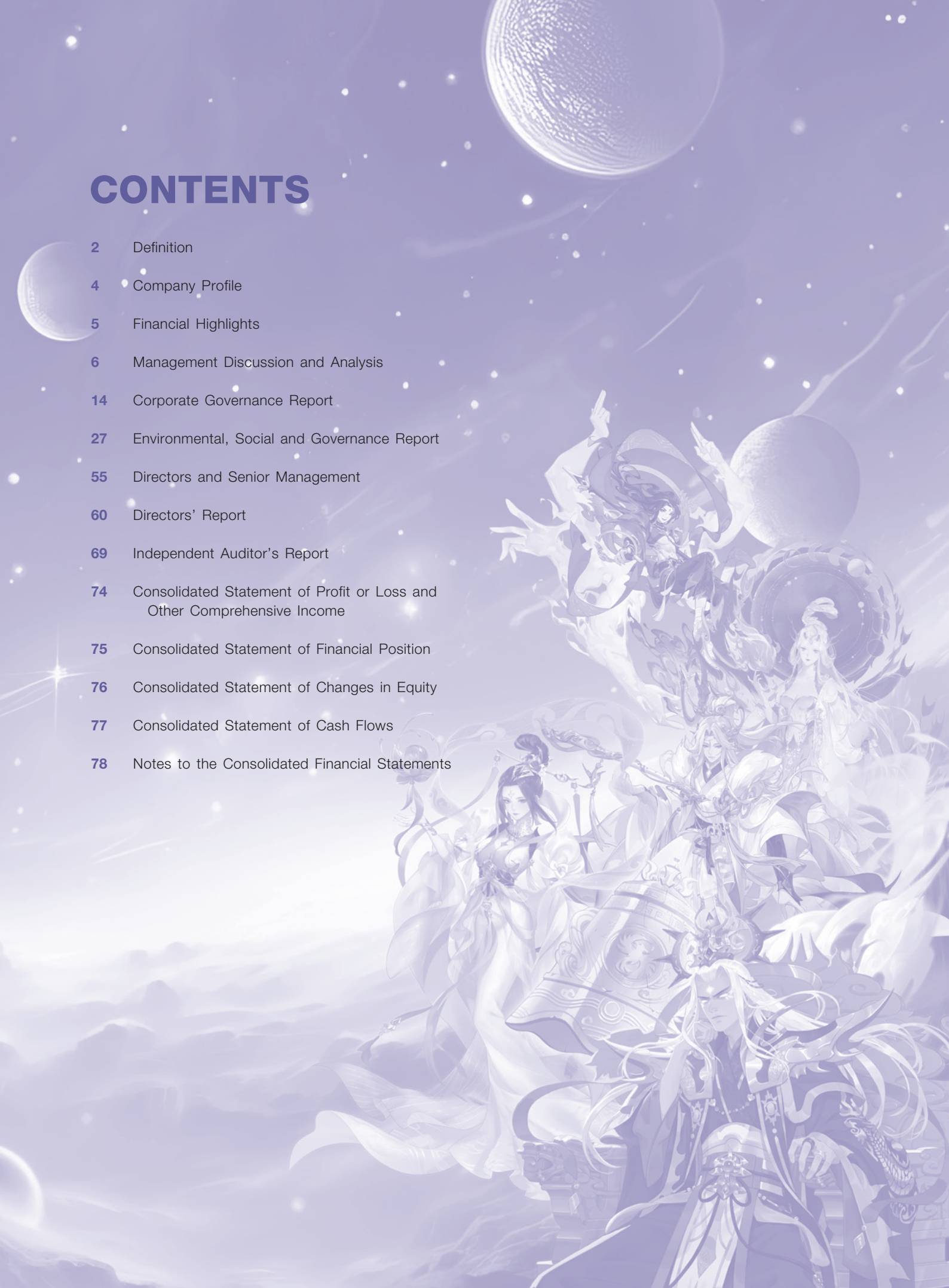


**2024**  
ANNUAL REPORT



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## DEFINITION

“Articles of Association”	the articles of association of the Company conditionally adopted on 24 January 2016 and as amended, supplemented and otherwise modified from time to time
“audit committee”	the audit committee under the Board
“Board”	the board of directors of the Company
“browser games”	online games that can be played within a web browser which does not require active installation of client software
“commercial launch” or “commercialisation”	a game is considered commercially launched once (i) the game has been paid for sales of in-game tokens by the designated third party payment channels, and (ii) the open beta testing stage of the game has been concluded
“Company”	Fire Rock Holdings Limited (火岩控股有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board (Stock code: 1909)
“Director(s)”	the director(s) of the Company
“free-to-play”	a model used in the gaming industry, under which game players can play games for free, but may need to pay for in-game tokens to enhance their gaming experience
“GEM”	GEM of the Stock Exchange
“Group” or “we”	the Company and where the context otherwise requires, all of its subsidiaries
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing”	the listing of the Shares of the Company on GEM
“Main Board”	the Main Board of the Stock Exchange
“Main Board Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“mobile games”	online games that are downloaded to and played on mobile devices including smartphones and tablets
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in appendix C3 of the Main Board Listing Rules
“nomination committee”	the nomination committee under the Board
“paying player”	players who obtain in-game tokens with credits of licensed operators
“Placing”	the conditional placing of Shares of the Company in February 2016



## DEFINITION

“PRC” or “China”	the People’s Republic of China excluding, for the purpose of this report, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus being issued on 29 January 2016 in connection with the Placing
“remuneration committee”	the remuneration committee under the Board
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time
“SGD”	Singapore dollars, the lawful currency of Singapore
“Share(s)”	ordinary share(s) with a nominal value of one twelfth Hong Kong cent each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“THB”	Thai Baht, the lawful currency of Thailand
“USA”	the United States of America
“USD”	United States dollars, the lawful currency of the USA
“virtual items”	virtual items which enhance players’ gaming experience, by, for example, enhancing the powers, abilities or attractiveness
“%”	per cent

In this report, the terms “associate”, “close associate”, “connected”, “connected person”, “core connected person”, “controlling shareholder”, “subsidiary” and “substantial shareholder” shall have the meanings ascribed thereto under the Main Board Listing Rules, unless the context otherwise requires.



## COMPANY PROFILE

### EXECUTIVE DIRECTORS

Mr. ZHOU Zhiwei (Chief Executive Officer)  
Mr. KOA Jun Wei Victor (Chief Technology Officer)  
(appointed on 1 March 2025)  
Mr. GAO Bo  
Ms. WONG Yan

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. TAM Chik Ngai Ambrose  
Ms. CHOW Woon San Shirley  
Mr. LOK Tze Bong

### AUDIT COMMITTEE

Mr. TAM Chik Ngai Ambrose (Chairman)  
Ms. CHOW Woon San Shirley  
Mr. LOK Tze Bong

### REMUNERATION COMMITTEE

Mr. TAM Chik Ngai Ambrose (Chairman)  
Ms. CHOW Woon San Shirley  
Mr. LOK Tze Bong

### NOMINATION COMMITTEE

Ms. CHOW Woon San Shirley (Chairman)  
Mr. TAM Chik Ngai Ambrose  
Mr. LOK Tze Bong

### JOINT COMPANY SECRETARIES

Mr. CHU Hon Leung  
Ms. LI Zijuan

### AUTHORISED REPRESENTATIVES

Mr. CHU Hon Leung  
Mr. GAO Bo

### REGISTERED OFFICE

Windward 3 Regatta Office Park PO Box 1350  
Grand Cayman KY1-1108 Cayman Islands

### HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS

20 Science Park Road,  
#02-25 Teletech Park,  
Singapore 117674

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

2201-2203, 22/F  
World-Wide House  
Central  
Hong Kong

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Trust (Cayman) Limited  
Windward 3  
Regatta Office Park  
PO Box 1350  
Grand Cayman KY1-1108  
Cayman Islands

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

### PRINCIPAL BANKERS

Bank of Communications Co., Ltd.,  
Hong Kong Branch  
Oversea-Chinese Banking Corporation Limited

### HONG KONG LEGAL ADVISER

Li & Partners

### AUDITOR

Crowe (HK) CPA Limited  
Certified Public Accountants

### STOCK CODE

1909

### COMPANY WEBSITE

[www.firerock.sg](http://www.firerock.sg)

# FINANCIAL HIGHLIGHTS

## RESULTS

	2024	For the year ended 31 December			
	HKD'000	2023	2022	2021	2020
		HKD'000	HKD'000	HKD'000	HKD'000
					(restated)
Revenue	140,591	134,927	115,063	1,035,215	586,100
Direct costs	(27,826)	(27,388)	(38,470)	(168,134)	(46,014)
Gross profit	112,765	107,539	76,593	867,081	540,086
Profit/(loss) for the year	1,853	572,518	35,487	(1,211,457)	388,091

## ASSETS AND LIABILITIES

	2024	As at 31 December			
	HKD'000	2023	2022	2021	2020
		HKD'000	HKD'000	HKD'000	HKD'000
					(restated)
Non-current assets	57,687	51,364	57,956	38,694	63,491
Current assets	76,989	109,509	131,756	358,595	844,416
Total assets	134,676	160,873	189,712	397,289	907,907
Non-current liabilities	817	2,247	172,240	368,695	43,073
Current liabilities	19,865	18,305	438,726	484,233	47,023
Total liabilities	20,682	20,552	610,966	852,928	90,096
Total equity/(deficit)	113,994	140,321	(421,254)	(455,639)	817,811

## MAJOR FINANCIAL RATIOS

	2024	For the year ended 31 December			
		2023	2022	2021	2020
Return on equity	1.6%	N/A	N/A	N/A	64.3%
Return on total assets	1.4%	326.6%	12.1%	N/A	57.8%
Current ratio (times)	3.9	6.0	0.3	0.7	18.0

## REVENUE HIGHLIGHTS

	2024		2023		2022		2021		2020	
	HKD'000	%	HKD'000	%	HKD'000	%	HKD'000	%	HKD'000	%
The PRC	—	—	—	—	—	—	920,252	88.9	511,616	87.3
Asia Pacific	140,591	100.0	134,927	100.0	115,063	100.0	114,963	11.1	73,613	12.6
Europe	—	—	—	—	—	—	—	—	871	0.1
	140,591	100.0	134,927	100.0	115,063	100.0	1,035,215	100.0	586,100	100.0

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW AND PROSPECTS

### Overview

The Group is a well-established game developer, publisher and operator. The Group also strategically expanded its main business to more diversified services, including publishing Internet application technology business and investment business. For the year ended 31 December 2024, the loss attributable to equity holders of the Company was approximately HKD17.1 million, while for the year ended 31 December 2023, the profit attributable to equity holders of the Company was approximately HKD559.9 million. The decrease was mainly due to the one-time non-recurring income from surrender of promissory notes recognised for the year ended 31 December 2023 only.

Looking forward, the Group will continue to strengthen its main business by concentrating the Group's resources on game development and game publishing business in order to (i) reduce reliance on the game operating business and (ii) deliver high-quality gaming experience to players.

As such, the Group expects to devote more resources to the R&D of games with the intention of launching new games in the coming year. In particular, the Group will set up another working team in Southeast Asia for the R&D of online and mobile games so as to further strengthen the market position of the Group's self-developed games in Indonesia and other Southeast Asian regions.

### Revenue

We are principally engaged in the development of browser, mobile games (including game design, programming and graphics) and computer software related to game operation, on the basis of which we license our self-developed browser and mobile games to licensed operators around the world ("Game Development"), assist the third parties in promoting game-related business and provide intellectual property rights licensing services to enterprises ("Game Publishing"). We also self-operate our self-developed game products in overseas markets.

For the year ended 31 December 2024, the Group's revenue was approximately HKD140.6 million, representing an increase of approximately HKD5.7 million or 4.2% from approximately HKD134.9 million for the year ended 31 December 2023. The increase was mainly due to increase in revenue from our game operation and publishing segment.

### Revenue by geographical markets

The following table sets forth our revenue from our games based on geographical territories, in absolute amounts and as a percentage of our revenue for the years indicated:

	For the year ended 31 December			
	2024		2023	
	HKD'000	%	HKD'000	%
Asia Pacific	140,591	100.0	134,927	100.0

## MANAGEMENT DISCUSSION AND ANALYSIS

### Direct costs

The Group's direct costs mainly consisted of staff costs and benefits, channel costs charged by self-operated game platforms and others, which remained fairly stable for the years ended 31 December 2024 and 2023. The following table sets forth a breakdown of the Group's direct costs for the years indicated:

	For the year ended 31 December			
	2024		2023	
	HKD'000	%	HKD'000	%
Staff costs and benefits	2,062	7.4	1,370	5.0
Self-operated channel costs	18,649	67.0	19,179	70.0
Others	7,115	25.6	6,839	25.0
<b>Total</b>	<b>27,826</b>	<b>100.0</b>	<b>27,388</b>	<b>100.0</b>

Others mainly comprised (i) depreciation; (ii) outsourcing services fee for art/graphic design and audio production of sound effects and background music provided by third party service providers; and (iii) server expenses.

### Gross profit and gross profit margin

Our gross profit for the year ended 31 December 2024 amounted to approximately HKD112.8 million, representing an increase of approximately HKD5.3 million or 4.9% as compared to approximately HKD107.5 million for the year ended 31 December 2023. Our gross profit margin for the year ended 31 December 2024 amounted to approximately 80.2% and approximately 79.7% for the year ended 31 December 2023. The increase in our gross profit margin was mainly due to the effective cost control on the channel costs and the increase in revenue.

### Other income

Our other income mainly consisted of interest income of bank deposits, government grants, exchange gains, and other gains. For the year ended 31 December 2024, our other income was approximately HKD0.3 million, compared with other income of approximately HKD19.7 million in the same period of 2023. The decrease in other income was mainly due to the decrease in net exchange gain during the year.

### Surrender of promissory note

During the year ended 31 December 2023, the Group recorded gain on surrender of promissory notes to the Company of approximately HKD574.7 million. Please refer to the announcement dated 30 June 2023 for further information.

### Research costs

For the year ended 31 December 2024, the Group incurred approximately HKD9.0 million on research costs, representing a decrease of approximately HKD10.8 million or 54.5% from approximately HKD19.8 million for the year ended 31 December 2023. The decrease was mainly due to less projects were under research phases in 2024.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Distribution costs

Our distribution costs for the year ended 31 December 2024 amounted to approximately HKD40.7 million, representing a decrease of approximately HKD14.8 million or 26.7% as compared to approximately HKD55.5 million in the same period of 2023. The decrease was mainly due to the decrease in the advertising and promotional expenses during the year.

### Administrative expenses

The Group's administrative expenses primarily comprised salaries and employee benefits expenses, depreciation of right-of-use assets, audit fees, legal and professional fees, depreciation of property, plant and equipment and others.

The Group's administrative expenses for the year ended 31 December 2024 amounted to approximately HKD43.3 million, representing an increase of approximately HKD11.6 million or 36.6% as compared to approximately HKD31.7 million for the year ended 31 December 2023. The increase was mainly attributable to the increase in the depreciation of the property, plant and equipment, increase in the travelling expenses for our staff to explore new business opportunities and increase in staff costs related to general and administrative functions.

### Income tax expense

Our income tax expense for the year ended 31 December 2024 increased by approximately HKD8.9 million or 107.2%, to approximately HKD17.2 million, as compared to approximately HKD8.3 million for the year ended 31 December 2023. The increase was mainly due to the increase in the assessable profit generated by the subsidiary in Thailand.

### (Loss)/profit for the year

As a result of the above, loss attributable to equity owners of the Company for the year ended 31 December 2024 was approximately HKD17.1 million whereas the profit attributable to equity owners of the Company for the year ended 31 December 2023 was approximately HKD559.9 million. The decrease was mainly due to the one-time non-recurring income from the surrender of promissory notes, which was recognised for the year ended 31 December 2023 only.

## LIQUIDITY AND FINANCIAL RESOURCES

For the year ended 31 December 2024, we mainly financed our business with the existing cash and cash equivalents held by the Group. We intend to fund our expansion and business operations through our internal resources and on-going internal growth.

### Treasury policy

During the year ended 31 December 2024, the Group deposited its capital with commercial banks in Hong Kong, Thailand, the PRC and Singapore and did not engage in any investments with high risks or involving speculative derivative instruments.



## MANAGEMENT DISCUSSION AND ANALYSIS

### *Cash and cash equivalents*

As at 31 December 2024, our cash and cash equivalents amounted to approximately HKD53.6 million, representing a decrease of approximately HKD31.9 million or 37.3%, as compared with approximately HKD85.5 million as of 31 December 2023. The decrease was mainly attributable to dividend paid to the non-controlling interests of a subsidiary in Thailand. Our cash and cash equivalents primarily consisted of cash at bank and cash on hand mainly denominated in USD (as to approximately 80.8%), THB (as to approximately 2.2%), HKD (as to approximately 6.2%), RMB (as to approximately 5.5%) and SGD (as to approximately 5.3%).

### *Capital expenditures*

Our capital expenditures comprised expenditures on the purchase of furniture and office equipment and leasehold improvements. For the year ended 31 December 2024, our total capital expenditures amounted to approximately HKD0.5 million, representing the purchase of furniture and office equipment and leasehold improvement (2023: approximately HKD3.0 million, including the purchase of furniture and office equipment and leasehold improvements). We funded our capital expenditure by existing cash and cash equivalents held by the Group.

### *Capital Commitment*

As at 31 December 2024, the Group did not have any capital commitments.

## CAPITAL STRUCTURE

The Shares were listed on GEM of the Stock Exchange on 18 February 2016. Listing of the Shares has been transferred from GEM to the Main Board since 27 June 2019. The capital structure of the Company comprises issued share capital and reserves.

## BORROWING AND GEARING RATIO

As at 31 December 2024, the Group did not have any short-term or long term borrowings.

As at 31 December 2024, the gearing ratio of the Group, calculated as total liabilities divided by total assets, was approximately 15.4% (31 December 2023: approximately 12.8%).

## CHARGE ON GROUP ASSETS

As at 31 December 2024, no asset of the Group was pledged as a security for bank borrowing or any other financing facilities (31 December 2023: Nil).

## EVENTS AFTER THE REPORTING PERIOD

On 3 March 2025, the Board proposed to implement a share consolidation whereby every twenty (20) issued and unissued shares of the Company will be consolidated into one (1) consolidated share (the "Share Consolidation").

The Share Consolidation was approved by the Shareholders at an extraordinary general meeting of the Company held on 27 March 2025 and has become effective on 31 March 2025. Details are set out in the circular of the Company dated 12 March 2025.



## MANAGEMENT DISCUSSION AND ANALYSIS

Apart from the events as disclosed above and elsewhere in the annual report, the Group did not have other material events after the reporting period and up to the date of this report.

### INFORMATION ON EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2024, the Group had 151 employees (31 December 2023: 108), who were mainly based in Thailand, Singapore, the PRC and Hong Kong. The table below sets forth the number of employees by function as at 31 December 2024 and 2023:

Department	2024		2023	
	Number of employees	% of total	Number of employees	% of total
<b>Management</b>	<b>7</b>	<b>4.6</b>	6	5.6
<b>Project development</b>	<b>60</b>	<b>39.7</b>	43	39.8
Game design	22	14.6	15	13.9
Programming	27	17.9	16	14.8
Art	11	7.2	12	11.1
<b>Project Support</b>	<b>59</b>	<b>39.1</b>	41	38.0
Marketing	26	17.2	22	20.4
Licensing and operator support	31	20.5	19	17.6
Information technology	2	1.4	—	—
<b>Finance and administration</b>	<b>25</b>	<b>16.6</b>	18	16.6
<b>Total</b>	<b>151</b>	<b>100.0</b>	108	100.0

The total remuneration of the employees of the Group was approximately HKD31.1 million for the year ended 31 December 2024 (2023: approximately HKD35.4 million).

The remuneration committee of the Company will regularly review and recommend to the Board from time to time the remuneration and reward of the Directors and senior management of the Group with reference to their experience, responsibilities, workload and time devoted to the Group and performance of the Group.

The Group offers competitive remuneration package commensurate in line with industry practice and provides benefits to employees of the Group, including social insurance coverage, defined contribution retirement scheme and bonus. In determining staff remuneration, the Group takes into account salaries paid by comparable companies, time commitment and responsibilities and employment conditions for other positions within the Group. The staff remuneration is reviewed regularly.

Contributions to the Group's defined contribution retirement schemes charged to the Group's consolidated statement of comprehensive income during the year ended 31 December 2024 were approximately HKD3.5 million (2023: approximately HKD5.8 million). There was no contribution forfeited by the Group on behalf of its employees who left their respective scheme prior to vesting fully in such contribution, which may be used by the Group to reduce the existing level of contributions during the two years ended 31 December 2024 and 2023. As at 31 December 2024 and 31 December 2023, there was no forfeited contribution available to reduce the level of contributions in future years.



## MANAGEMENT DISCUSSION AND ANALYSIS

The Directors believe that maintaining a stable and motivated staff force is critical to the success of the Group's business. Aspiring to be a fast-growing company, the Group is able to provide its employees with ample career development choices and opportunities of advancement. The Group organises various training programs on a regular basis for its employees to enhance their knowledge of online game development and operation, improve time management and internal communications and strengthen team building.

### SIGNIFICANT INVESTMENTS IN OR MATERIAL ACQUISITIONS OR DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

In March 2023, the Group disposed its entire equity interest in Lord Metaverse Co., Ltd. at a cash consideration of THB810,000 (approximately HKD185,000). Subsequent to the year ended 31 December 2023, the Group received the consideration of HKD185,000.

Save as disclosed, the Directors consider there was no other significant investment in or material acquisition and disposal of subsidiaries and associated companies by the Company.

### FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at the date of this report, there was no plan authorised by the Board for material investments or additions of capital assets.

### CONTINGENT LIABILITIES

As at 31 December 2024, the Group did not have any significant unrecorded contingent liabilities (31 December 2023: Nil).

### FOREIGN EXCHANGE RISKS

The functional currency of the Group is HKD and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to USD, THB, RMB and SGD. All of the revenue are denominated in currencies other than the functional currency of the operating units making the revenue for the years ended 31 December 2024 and 2023. Therefore, foreign exchange risk primarily arose from the recognition of assets upon the Group's receipt or planned receipt of foreign currencies from overseas partners.

The Group currently does not have any hedging policy in respect of the foreign currency risk. However, our management team closely monitors foreign exchange exposure to ensure appropriate measures are implemented in a timely and effective manner. In this respect, we are not exposed to any significant foreign currency exchange risk in our operation.

### (LOSS)/EARNINGS PER SHARE

The calculation of (loss)/earnings per share is based on the loss attributable to owners of the Company of approximately HKD17.1 million for the year ended 31 December 2024 (2023: profit attributable to owners of the Company of approximately HKD559.9 million) and the weighted average number of 3,840,000,000 ordinary shares (2023: 3,840,000,000 ordinary shares) in issue during the year.

The calculation of diluted (loss)/earnings per share are the same as the calculation of basic (loss)/earnings per share as there are no dilutive potential ordinary shares in existence during the years ended 31 December 2024 and 2023 respectively.





## MANAGEMENT DISCUSSION AND ANALYSIS

### RISK FACTORS FACED BY THE COMPANY AND RISK MITIGATION MEASURES

The Group principally engaged in the development and operation of our software and games in different language versions and licensing our games to different licensed operators for operation or operating by the Group internationally. The major risks involved in our business include credit risks, interest rate risks, liquidity risks, currency risks and business risks. Details of the above-mentioned major risks and risk mitigation measures are set forth in Note 35 “Financial risk management and fair values of financial instruments” to the consolidated financial statements in this annual report.

We believe that there are certain risks involved in our operations, which mainly include (i) risks relating to our business; (ii) risks relating to our industry; and (iii) risks relating to policies.

#### *(i) Risks relating to our business*

Although the Group has achieved significant success in the gaming industry, there are certain risks that could adversely impact the Group's operations and financial results. The main hurdles include: (i) if the Group fails to keep up with technological developments and is unable to continuously keep track of cutting-edge technology trends, it may lead to a decline in the competitiveness of its games and loss of market share, (ii) facing constantly changing player preferences, if the Group is unable to continuously launch novel and high-quality game content, it may affect user retention, (iii) the game portfolio includes games that are self-developed or licensed games, so the Group's operations may be adversely affected if the Group cannot seek alternatives in a timely manner; and (iv) the Group may be exposed to payment delays or defaults from settlement agents, which would adversely affect the Group's cash flow or financial results.

#### *(ii) Risks relating to our industry*

As a game developer, publisher and operator, we expect to face intense competition from many counterparts domestically and internationally. We also face vigorous competition from other forms of entertainment generally available to the public such as console gaming, offline games, cinema, television, sports and music. In response, we continue to regularly upgrade and modify existing games to keep players interested and maintain their experience in our portfolio of games, and incentivise game players to increase their spending on our games. Furthermore, we also continue to focus on research and development of new games and explore new markets to maintain our competitiveness in the gaming industry.

#### *(iii) Risks relating to policies*

The operation of online games of the Group is subject to supervision and management by a number of government authorities in the market where we operate. Any administrative changes in government regulatory authorities may also affect market conditions, which in turn may affect our results of operations.



## MANAGEMENT DISCUSSION AND ANALYSIS

### RISK MANAGEMENT

The audit committee of the Company is responsible for risk management. The audit committee regularly reviews the Company's risk management and internal control system to ensure the system's effectiveness. The audit committee also reviews the sufficiency of the Company's internal resources and staff qualifications, experience and training. The audit committee conducts investigation and research of risk management and internal control matters and reports to the Board on such matters.

### ENVIRONMENT POLICY AND PERFORMANCE

The Group's planning, devising, implementation, operation, review and assessment in relation to matters pertaining to environmental management are conducted with reference to the characteristics of our industry. In daily activities, our Group strictly controls the use of water and electricity in office, actively adopts measures to propagate environment-friendly ideas and encourages staff to reduce consumption of water and electricity and practice the sorting of solid waste. The Group also actively promotes electronic informatisation management in its daily operation to facilitate the "paperless" office.

The Group has implemented internal recycling and reusing program on a continual basis for consumable goods such as office papers to minimise the operational impact on the environment and natural resources. The Group has also negotiated with the property management companies of our leased properties in relation to the implementation of energy-saving measures for the use of air-conditioning in our office premises in order to reduce unnecessary electricity consumption.

### RELATIONSHIP WITH STAKEHOLDERS

The Company values stakeholders' concerns and opinions on our business performance and progress, and strive to maintain effective communication with our stakeholders, including the Shareholders, employees, customers, suppliers, business partners, users, media and the public through a range of communication channels, such as the Company's official website and emails to maintain a close and harmonious relationship with them.

### COMPLIANCE WITH LAWS AND REGULATIONS

So far as the Board is concerned, there were no material breaches of or non-compliance with the relevant rules and regulations by our Group that have significant impacts on the business and operations of our Group.

### ANNUAL GENERAL MEETING

It is proposed that the annual general meeting of the shareholders of the Company will be held on a date to be fixed by the Board. Notice of annual general meeting will be published and despatched to the shareholders of the Company in due course.





# CORPORATE GOVERNANCE REPORT

The Board is pleased to present the corporate governance report of the Group for the year ended 31 December 2024.

## INTRODUCTION

We are committed to maintaining high level of corporate governance as the Board recognises that sound and effective corporate governance is the key element to success. We have adopted a number of measures to protect interests of the Shareholders and other stakeholders.

## COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Company confirms that the Directors have complied with the required standard set out in the Model Code during the year ended 31 December 2024.

## CORPORATE GOVERNANCE PRACTICES

The Company has adopted the principles and code provisions set out in the Corporate Governance Code (the “Code”) set out in Appendix C1 of the Main Board Listing Rules. In the opinion of the Directors, the Company has complied with the code provisions set out in the Code for the year ended 31 December 2024.

## BOARD OF DIRECTORS

The Board is responsible for coordinating and supervising the Group and identifying its deviations so as to achieve the success of the Group. The Board has established board committees, and delegated their respective duties in accordance with their terms of references to board committees. Details of the respective committees’ terms of reference are available at the Stock Exchange’s and the Company’s websites. All Directors have carried out duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and its Shareholders at all times.

The Board reserves discretion to decide on all major matters relating to policy matters, strategies and budgets, internal control and risk management, discloseable transactions and connected transactions, nomination of Directors and company secretary (or joint company secretaries) and other material financial and operational matters. All Directors contributed precious business experience, knowledge and professional skills to keep the Company functioning with high efficiency. All Directors can obtain comprehensive relevant materials and receive from the company secretary (or joint company secretaries) advice and services to ensure the Board procedures and all applicable laws, rules and regulations are followed.

The senior management has been delegated with the responsibility for the day-to-day management, administration and operation of the Group, the powers delegated to the management are being reviewed regularly. The senior management has to be authorised by the Board before entering into any material transactions.

The Board is responsible for performing the functions set out in the code provision A.2.1 of the Code. The Board, with the assistance of other board committees of the Group, is responsible for performing the corporate governance functions, and it accordingly reviews and monitors the training and continuing professional development of Directors and the senior management, and ensures its policies and practices are in compliance with relevant laws and regulatory requirements. The Board has reviewed and discussed the corporate governance policy of the Group, and was satisfied with the Company’s performance of the corporate governance policy.

### COMPOSITION

As at 31 December 2024, the Board consisted of six Directors, including three executive Directors and three independent non-executive Directors. The Directors are:

#### *Executive Directors*

Mr. ZHOU Zhiwei (Chief Executive Officer)  
Mr. GAO Bo  
Ms. WONG Yan

#### *Independent non-executive Directors*

Mr. TAM Chik Ngai Ambrose  
Ms. CHOW Woon San Shirley  
Mr. LOK Tze Bong

The list of Directors (by category) is disclosed in all corporate communications issued by the Company pursuant to the Main Board Listing Rules. Independent non-executive Directors are also listed out in all corporate communications issued by the Company pursuant to the Main Board Listing Rules. The Company should maintain on its website and on the Stock Exchange's website an updated list of Directors identifying their role and function and whether they are independent non-executive Directors.

Save as disclosed in the Prospectus and in this annual report, as far as the Company has knowledge, there is no relationship (including financial, business, family, or other material relationship(s)) among the Board members.

For the year ended 31 December 2024, the Board at all times met the requirements of the Main Board Listing Rules relating to the appointment of at least three independent non-executive Directors, accounting for at least one third of the Board, with at least one independent non-executive Director possessing the appropriate professional qualifications, accounting or related financial management expertise.

According to the guidelines set out in the Rule 3.13 of the Main Board Listing Rules, the Company has received a written confirmation from each of the independent non-executive Directors in respect of their independence. The Company considers that all independent non-executive Directors are independent by reference to the provisions on independence set out in the Main Board Listing Rules. The Company has established mechanisms whereby independent non-executive Directors can express their views in an open and candid manner and provide their independent professional judgments on the assessment of the development, performance and risk management of the Group. These include dedicated meeting sessions with other Board members and senior management outside the boardroom. The Board will review the implementation and effectiveness of the abovementioned mechanisms on an annual basis to ensure that independent views and input are available to the Board.



## CORPORATE GOVERNANCE REPORT

### APPOINTMENT AND RE-ELECTION OF DIRECTORS

The procedures and process of appointment, re-election and removal of Directors are stated in the Company's Articles of Association. The nomination committee is responsible for reviewing the Board composition, considering and formulating the relevant procedures for nomination and appointment of Directors, and monitoring the appointment and succession planning of Directors, and assessing the independence of the independent non-executive Directors.

Each of the executive Directors has entered into service contract with the Company for a term of three years, which is subject to termination by either party giving not less than three months' written notice. Each of the independent non-executive Directors has signed a letter of appointment with the Company for a term of three years, and is subject to termination by either party giving not less than three months' written notice. Such appointments are subject to retirement by rotation provisions in the Articles of Association.

The Company had re-elected and appointed certain Directors at the annual general meeting on 24 May 2024.

None of the Directors has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation. In accordance with the Articles of Association, all Directors of the Company is subject to retirement by rotation at least once every three years, new Directors appointed by the Board as additional Directors and to fill casual vacancies are subject to election or re-election at the first general meeting/annual general meeting.

### DIRECTORS' TRAINING AND CONTINUING PROFESSIONAL DEVELOPMENT

Each of the Directors should keep abreast of the responsibilities as a Director, and of the conduct, business activities and developments of the Company.

Directors are aware of the code provision C.1.4 of the Code, regarding continuing professional development programme for directors. For the year ended 31 December 2024, all Directors participated in the training regarding director responsibilities and duties in relation to the Main Board Listing Rules. Such programmes were related to corporate governance, listed company and directors' continuing obligations.

A summary of the training received by the Directors for the year ended 31 December 2024 is set out below:

	Corporate governance	Listed company and directors' continuing obligations
<b>Executive Directors</b>		
Mr. ZHOU Zhiwei (Chief Executive Officer)	✓	✓
Mr. Gao Bo	✓	✓
Ms. Wong Yan	✓	✓
<b>Independent Non-executive Directors</b>		
Mr. Tam Chik Ngai Ambrose	✓	✓
Ms. Chow Woon San Shirley	✓	✓
Mr. Lok Tze Bong	✓	✓

## DIRECTORS' LIABILITY INSURANCE

Each of our Directors was qualified and experienced to perform their duties and obligations. The Company predicts that in the foreseeable future, the risk of any events that lead to liabilities of the Directors is relatively low. Nevertheless, the Company is currently in the process of selecting appropriate Directors' liability insurance to indemnify the current Directors for their liabilities arising out of corporate activities.

## BOARD MEETINGS AND SHAREHOLDERS' MEETINGS

### *Number of Board meetings and Directors' attendance*

Pursuant to the code provision C.5.1 of the Code, the Board meetings should be held at least four times a year at approximately quarterly intervals. Regular Board meetings will normally involve the active participation, either in person or through electronic means of communication, of a majority of Directors entitled to be present.

During the year ended 31 December 2024, the Board convened four meetings to discuss various matters of the Group, review and approve financial performance and results of operations and to consider and approve overall strategies and policies of the Group. The attendance of each individual Director at the board meeting, board committee meetings and general meeting is set out in the following table:

Directors	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Nomination Committee Meeting	Annual General Meeting	Extraordinary General Meeting
<b>Executive Directors</b>						
Mr. Zhou Zhiwei	4/4	N/A	N/A	N/A	1/1	N/A
Mr. Gao Bo	4/4	N/A	N/A	N/A	1/1	N/A
Ms. Wong Yan	4/4	N/A	N/A	N/A	1/1	N/A
<b>Independent Non-executive Directors</b>						
Mr. Tam Chik Ngai Ambrose	4/4	3/3	1/1	1/1	1/1	N/A
Ms. Chow Woon San Shirley	4/4	3/3	1/1	1/1	1/1	N/A
Mr. Lok Tze Bong	4/4	3/3	1/1	1/1	1/1	N/A

Code provision C.1.6 of the Code stipulates that independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders.

## PRACTICES AND GUIDELINES OF MEETINGS

Annual meeting schedules and draft agenda of each meeting are normally made available to the Directors in advance. The Company has put in place arrangements to ensure that the Directors have opportunity to propose matters to be discussed into the meeting agenda.

Notices of regular Board meetings are normally served to all Directors at least 14 days before the meetings. For other Board and committee meetings, reasonable notice is generally given.

Board documents together with all appropriate, complete and reliable information are sent to all Directors at least 3 days before each Board meeting or committee meeting to keep the Directors apprised of the latest developments and financial position of the Group and to enable them to make informed decisions. The Board and each Director also have separate and independent access to the senior management whenever necessary.





## CORPORATE GOVERNANCE REPORT

The chief executive officer and member of the senior management attend all regular Board meetings and where necessary, other Board and committee meetings to advise on business developments, financial and accounting matters, regulatory compliance matters, corporate governance and other major aspects of the Group.

The company secretary (or the joint company secretaries) is responsible to take and keep minutes of all Board meetings and committee meetings. Minutes of Board meetings and meetings of committees should record in sufficient detail the matters considered and decisions reached, including any concerns raised by Directors or dissenting views expressed. Draft minutes are normally circulated to Directors for comment within a reasonable time after each meeting and the final version is open for Directors' inspection.

The Articles of Associations contain provisions requiring Directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such Directors or any of their associates have a material interest. Such matter should also be dealt with by a physical board meeting rather than a written resolution. Independent non-executive directors who have no material interest in the matter should be present at the board meeting.

### BOARD COMMITTEES

The Board established three committees, namely, remuneration committee, audit committee and nomination committee to oversee particular aspects of the Group's affairs. Each of the three committee has its defined scope of duties and terms of reference.

All members of remuneration committee, audit committee and nomination committee are independent non-executive Directors.

The Board committees have sufficient resources to perform their duties, and are able to seek independent professional advice in appropriate circumstances at the Company's expense.

#### *Remuneration Committee*

The remuneration committee's terms of reference include, but not limited to:

- i. to make recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- ii. to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- iii. to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management. This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- iv. to make recommendations to the Board on the remuneration of non-executive Directors;
- v. to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- vi. to review and approve compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;

## CORPORATE GOVERNANCE REPORT

- vii. to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
- viii. to ensure that no Director or any of his associates is involved in deciding his own remuneration; and
- ix. to review and/or approve matters relating to share schemes under Chapter 17 of the Main Board Listing Rules, if any.

As at 31 December 2024, the remuneration committee consisted of three independent non-executive Directors namely Mr. Tam Chik Ngai Ambrose, Ms. Chow Woon San Shirley and Mr. Lok Tze Bong. Mr. Tam Chik Ngai Ambrose was the chairman of the remuneration committee. For the year ended 31 December 2024, the remuneration committee convened one meeting to discuss the matters set out above, in particular, to review the remuneration package and structure of the Directors and senior management, the performance of executive Directors and the existing terms of reference of the remuneration committee.

### REMUNERATION OF THE MEMBERS OF THE SENIOR MANAGEMENT BY BAND

Pursuant to code provision E.1.5 of the Code, details of the annual remuneration of the senior management by band for the year ended 31 December 2024 are as follows:

Remuneration band	Number of individuals
Nil – HKD1,000,000	—
HKD1,000,001 – HKD1,500,000	1

Details of the remuneration of each Director for the year ended 31 December 2024 are set out in Note 14(a) to the consolidated financial statements.

### *Audit Committee*

We established the audit committee with written terms of reference in compliance with the requirements of the Main Board Listing Rules and the Code. The primary responsibilities of the audit committee are to supervise our internal control, financial information disclosure and financial reporting matters, which include but are not limited to:

- i. to be primarily responsible for making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal;
- ii. to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;
- iii. to discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences;



## CORPORATE GOVERNANCE REPORT

- iv. to develop and implement policy on engaging an external auditor to supply non-audit services. For this purpose, “external auditor” includes any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the audit firm nationally or internationally. The audit committee should report to the Board, identifying and making recommendations on any matters where action or improvement is needed;
- v. to monitor integrity of the Company’s financial statements and annual report and accounts, half-year report and, if prepared for publication, quarterly reports, and to review significant financial reporting judgements contained in them;
- vi. in reviewing the aforementioned paragraph v before submission to the Board, the committee should focus particularly on:
  - 1. any changes in accounting policies and practices;
  - 2. major judgmental areas;
  - 3. significant adjustments resulting from audit;
  - 4. the going concern assumptions and any qualifications;
  - 5. compliance with accounting standards;
  - 6. compliance with the Main Board Listing Rules and legal requirements in relation to financial reporting;
- vii. in reviewing the aforementioned paragraph v and vi:
  - 1. members of the committee should liaise with the Board and senior management and the committee must meet, at least twice a year, with the Company’s auditors; and
  - 2. the committee should consider any significant or unusual items that are, or may need to be, reflected in the report and accounts, it should give due consideration to any matters that have been raised by the Company’s staff responsible for the accounting and financial reporting function, compliance officer or auditors;
- viii. to review the Company’s financial controls, and unless expressly addressed by a separate Board risk committee, or by the Board itself, to review the Company’s risk management and internal control systems;
- ix. to discuss the risk management and internal control systems with management to ensure that management has performed its duty to have effective systems. This discussion should include the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company’s accounting, internal auditing and financial reporting function;
- x. to consider major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and management’s response to these findings;





## CORPORATE GOVERNANCE REPORT

- xi. where an internal audit function exists, to ensure co-ordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness;
- xii. to review the Group's financial and accounting policies and practices;
- xiii. to review the external auditor's management letter, any material queries raised by the auditor to management about accounting records, financial accounts or systems of control and management's response;
- xiv. to ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter;
- xv. to review arrangements employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters. The audit committee should ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action;
- xvi. to act as the key representative body for overseeing the Company's relations with the external auditor;
- xvii. to report to the Board on the matters set out above;
- xviii. to consider and implement other matters, as defined or assigned by the Board from time to time;
- xix. to formulate and review the corporate governance policies and practices of the Company and make recommendations to the Board;
- xx. to review and monitor the training and continuous professional development of Directors and senior management;
- xxi. to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- xxii. to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- xxiii. to review the Company's compliance with the Code and disclosure in the Corporate Governance Report.

As of 31 December 2024, the audit committee consisted of three independent non-executive Directors namely Mr. Tam Chik Ngai Ambrose, Ms. Chow Woon San Shirley and Mr. Lok Tze Bong. The chairman of the audit committee was Mr. Tam Chik Ngai Ambrose, who holds the appropriate professional qualifications as required under Rules 3.10(2) of the Main Board Listing Rules. For the year ended 31 December 2024, the audit committee convened three meetings to discuss the matters set out above, in particular, to (a) discuss and review the Group's results for the year ended 31 December 2023 and recommended the same to the Board for approval; (b) review and consider the existing terms of reference of the audit committee; (c) discuss and review the Group's results for the six months ended 30 June 2024 and recommended the same to the Board for approval; (d) discuss and review the audit plan of the Group for the year ending 31 December 2024; and (e) review the adequacy and effectiveness of the Group's internal controls and risk management systems through discussions with the external compliance adviser.

## CORPORATE GOVERNANCE REPORT

### *Nomination Committee*

The nomination committee was established with terms of references in compliance with code provision B.3.1 of the Code. The nomination committee should perform the duties, including but not limit to:

- i. review the structure, size, composition and diversity (including the sex, age, cultural and educational background, race, professional experience, skills, knowledge and term of service) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- ii. formulate the policies of nominating directors, identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships. The committee shall consider an individual's strengths while seeking for suitable candidates and take into consideration of the composition diversity of the Board with an objective view;
- iii. assess the independence of independent non-executive Directors;
- iv. to review the Board's diversity policy in appropriate circumstances, the measurable goal set by the Board to implement the Board diversity policy, the progress in achieving such goal, as well as to disclose the review results in the Corporate Governance Report annually; and
- v. to make recommendations to the Board on the appointment or re-appointment of directors and succession planning for Directors, in particular the chairman and the chief executive, taking into the Company's corporate strategy and the mix of skills, knowledge, experience and diversity needed in the future.

As at 31 December 2024, the nomination committee consisted of three independent non-executive Directors namely Mr. Tam Chik Ngai Ambrose, Ms. Chow Woon San Shirley and Mr. Lok Tze Bong. Ms. Chow Woon San Shirley was the chairman of the nomination committee. For the year ended 31 December 2024, the nomination committee convened one meeting to discuss the matters set out above, in particular, to review and consider the composition of the Board, appointment of Directors, the independence of the independent non-executive Directors and the existing terms of reference of the Nomination Committee.

Under the Group's nomination policy for Directors, the Nomination Committee will consider various factors regarding a candidate, including but not limited to (a) skills, experience and professional expertise relevant to the operations of the Group; (b) diversity; (c) ability to commit in devoting sufficient time and participation in the Board affairs; (d) character and integrity; and (e) requirements of independence of proposed independent non-executive Directors in accordance with the Main Board Listing Rules. Upon the Nomination Committee's recommendation, the Board will review and if appropriate, approve the nomination of such Director.

### *Policy of Board Diversity and the Execution*

When identifying suitable candidates for directorship, the nomination committee carries out the selection process by making reference to the skills, experience, background, professional knowledge, personal integrity and time commitments of the proposed candidates, and also the Company's needs and other relevant statutory requirements and regulations required for the positions. All candidates must be able to meet the standards as set forth in Rules 3.08 and 3.09 of the Main Board Listing Rules. A candidate who is to be appointed as an independent non-executive Director should also meet the independence criteria set out in Rule 3.13 of the Main Board Listing Rules. Qualified candidates will then be recommended to the Board for approval.



## CORPORATE GOVERNANCE REPORT

In considering new or potential appointments to the Board, the Board, with the assistance and recommendation from the nomination committee of the Company, would review the structure, size, composition and diversity of the Board from a number of aspects, including but not limited to age, gender, geographical background, length of service, and the professional experience, skills and expertise he/she can provide.

As at 31 December 2024, the Board has one female executive Director and one female independent non-executive Director out of a total of six Directors. The Group had 59 female employees and 92 male employees as of 31 December 2024. The Company is of the view that gender diversity in respect of the Board and the Group's workforce has been achieved. The Company reviews the implementation and effectiveness of its Board diversity policy on an annual basis, and will continue to embrace gender diversity when making future Board appointments but no specific targets or timelines to further enhance gender diversity have been set as it is of the view that all aspects of diversity should be considered as a whole in the selection of suitable candidates for appointment to the Board.

### *Directors' Responsibilities for the Financial Reporting*

The Directors are responsible for the preparation of the Group's and the Company's consolidated financial statements for the year ended 31 December 2024.

The Board is responsible for presenting a balanced, clear and understandable assessment in the Company's annual and interim reports, price-sensitive announcement and other financial disclosures required under the Main Board Listing Rules and other requirements from relevant regulations.

Senior management provides explanation and information to the Board so as to enable the Board to make an informed assessment of the financial information and position. The management also provides the Board with monthly updates giving a balanced and understandable assessment of the Company's performance, position and prospects in sufficient detail to enable the Directors to discharge their duties in compliance with the Main Board Listing Rules.

## INTERNAL CONTROL

The Group's internal control system primarily aims to provide a reasonable, but not absolute, assurance that assets are properly safeguarded against misappropriations, transactions are executed in accordance with the management's authorisation, and accounting records are reliable and proper for preparing financial information and are not materially misstated. The procedures under the internal control system are designed to identify, evaluate and manage risks effectively rather than to eliminate all risks of failure.

The internal control system includes a well-established organisational structure with clearly defined lines of responsibility and authority. Each department is responsible for its daily operation and be accountable for its own practices and performances, and shall operate within the power and authority delegated to it and strictly comply and implement the overall strategic policies formulated by the Company from time to time. All departments must report to the Board any risks, suspected activities and internal control implications associated with its operations.

For the year ended 31 December 2024, the Group has adopted the following risk management and internal control measures:

- i. trainings have been provided to the senior management and board members of each subsidiary of the Company on the applicable laws and regulations in Singapore, Hong Kong, Thailand and the PRC;



## CORPORATE GOVERNANCE REPORT

- ii. personnel at the mid-level management of the Group with good track-record have been tasked with reporting the business, financial and internal control statuses and other governance improvements to the Board regularly;
- iii. a compliance committee comprising two executive Directors, Ms. Wong Yan and Mr. Gao Bo, and an independent non-executive Director, Ms. Chow Woon San Shirley, has been responsible for developing, monitoring and maintaining the Group's compliance requirements under the relevant Main Board Listing Rules and the applicable laws;
- iv. an external compliance adviser and internal control consultant was appointed to review and enhance the Company's internal control mechanism annually;
- v. a separate department has been responsible for monitoring and reporting the suspected activities of game players to the Board; and
- vi. a whistleblowing email address which allows base-level employees to report the risks and issues to the Board directly has been in place.

The Board should review and ensure the effectiveness of the risk management and system of internal controls annually. For the year ended 31 December 2024, the Board reviewed the effectiveness of the internal control of the Group, covering areas of finance, operation, compliance and risk management. The review was conducted by the audit committee (which assumes the internal audit function of the Company) through discussions with the Company's management officers, external auditors, internal auditors and external compliance adviser. The Board believes the existing internal control is sufficient and effective.

With respect to procedures and internal controls for the handling and dissemination of inside information, the Company is aware of its obligations under the SFO and the Main Board Listing Rules and is required, as soon as reasonably practicable after any inside information has come to its knowledge, to disclose the information to the public.

## JOINT COMPANY SECRETARIES

Mr. Chu Hon Leung and Ms. Li Zijuan acted as the joint company secretaries of the Company during the reporting period. The two joint company secretaries took no less than 15 hours of relevant professional training during the year.

For details of Mr. Chu Hon Leung and Ms. Li Zijuan, please refer to the section headed "Directors and Senior Management" in this report.

## NON-COMPETITION UNDERTAKING

A deed of non-competition (the "Deed of Non-Competition") was executed by each of the Substantial Shareholders (as defined in the Prospectus, being Mr. Zhang Yan, Sulfulon International, Mr. Wu Zhe, R&P Global, Mr. Huang Yong, Raglon International, Mr. Rao Zhenwu and Meteor Technology (as defined in the Prospectus), collectively referred to as "Covenantors") in favour of the Company. The Covenantors had confirmed to the Company that they had provided the Group all information necessary for the enforcement of the undertakings contained in the Deed of Non-Competition and had complied with the Deed of Non-Competition for the year ended 31 December 2024.



## CORPORATE GOVERNANCE REPORT

The independent non-executive Directors have reviewed and confirmed that each of the Covenantors had complied with the Deed of Non-Competition which has been enforced by the Company in accordance with its terms, and that there was no Business Opportunity (as defined in the Prospectus) being directed by the Covenantors to the Company as provided under the Deed of Non-Competition.

### REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Details of the Directors' remunerations and the five individuals with the highest emoluments are disclosed in Note 14 to the consolidated financial statements in this annual report in accordance with the provisions of the Main Board Listing Rules.

### INDEPENDENT AUDITOR'S REMUNERATION

Crowe (HK) CPA Limited has been appointed as the Company's auditor. The fees in relation to the audit services provided by Crowe (HK) CPA Limited to the Group amounted to approximately HKD1.8 million for the year ended 31 December 2024 (year ended 31 December 2023: HKD1.75 million). Apart from that, there was no non-audit services provided during the year.

### MATERIAL CHANGES IN CONSTITUTIONAL DOCUMENTS

There was no change in the Articles of Association during the year. The latest version of the Articles of Association is available on the Stock Exchange's website and the Company's website.

### DIVIDEND POLICY

The proposal of payment and the amount of our dividends will be made at the discretion of our Board and will depend on our general business condition and strategies, cash flows, financial results and capital requirements, Shareholders' equity, taxation conditions, statutory and regulatory restrictions and other factors that our Board deems relevant.

In addition, as our Company is a holding company registered in the Cayman Islands and our operations are conducted through our subsidiaries, the availability of funds for dividend payments to Shareholders and debts servicing depends on dividends received from these subsidiaries.

### COMMUNICATION WITH SHAREHOLDERS AND INVESTORS RELATIONS

The Company has adopted a shareholders communication policy with the objective of ensuring that the Shareholders and potential investors are provided with ready, equal and timely access to balanced and understandable information about the Company. The Company believes, effective communications with Shareholders and investors is essential to facilitate the Shareholders' understanding of the business performance and strategies of the Group. The Company also acknowledges the significance of the transparency of the company information and timely disclosure of such information so as to enable Shareholders and investors to make an informed investment decision.

The Company has established a number of channels to communicate with the Shareholders as follows:

- (i) corporate communications such as annual reports, interim reports and circulars are issued in printed form (if requested) and are available on the Main Board website at [www1.hkexnews.hk](http://www1.hkexnews.hk);



## CORPORATE GOVERNANCE REPORT

- (ii) periodic announcements are made through the Stock Exchange and published on the respective websites of the Stock Exchange and the Company;
- (iii) corporate information is made available on the Company's website, where updated information of business development and operation, finance resources, corporate governance practices and other materials are available for public inspection;
- (iv) annual and extraordinary general meetings provide a forum for the Shareholders to make comments and exchange views with the Directors and senior management. The chairman of the Board and the chairmen of remuneration committee, audit committee, nomination committee, and in their absence, other members of these Board committees, attend general meetings to answer questions raised by Shareholders at the general meetings; and
- (v) the Hong Kong share registrar of the Company serves the Shareholders in respect of share registration, dividend payment and related matters.

The Company keeps on promoting investor relations and enhancing communication with the existing Shareholders and potential investors. It welcomes suggestions from investors, stakeholders and the public. Enquiries to the Board or the Company may be sent by post to the Company's principal place of business in Hong Kong.

Joint Company Secretary  
2201–2203,  
22/F, World-Wide House  
Central, Hong Kong

Based on the above, the Board considers that the Company's communication with Shareholders is effective for the year ended 31 December 2024.

## SHAREHOLDERS' RIGHT

As one of the measures to safeguard Shareholder's interest and rights, separate resolutions are proposed at Shareholders' meetings on each substantial issue, including the election of individual Directors, for Shareholders' consideration and voting. All resolutions put forward at Shareholders' meeting will be voted by poll pursuant to the Main Board Listing Rules and the poll voting results will be posted on the Hong Kong Stock Exchange's website and the Company's website after the relevant Shareholders' meeting.

Extraordinary general meeting may be convened by the Board on requisition of Shareholders holding Shares that represent not less than one-tenth of the voting rights at general meeting of the Company on a one vote per Share basis or by such Shareholders who made the requisition (the "Requisitionists") (as the case may be) pursuant to the Article of Associations. Such requisition must state the object of business to be transacted at the meeting and must be signed by the Requisitionists and deposited at the registered office of the Company or the Company's principal place of business in Hong Kong. Shareholders should follow the requirements and procedures as set out in such Article for convening an extraordinary general meeting. Shareholders may put forward proposals at general meeting of the Company by sending the same to the Company at the principal place of business of the Company in Hong Kong.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ABOUT THE REPORT

This Environmental, Social and Governance (“ESG”) Report (the “Report”) aims at explaining various measures taken by the Group to achieve sustainable growth. The Report will provide a detailed explanation of the Group’s ESG management strategy, governance structure, sustainability initiatives, and its performance. For easy reference by all stakeholders, content index is appended at the end of the Report.

### *Reporting Scope and Period*

Unless otherwise stated, the Report covers the environmental and social performance of the Group’s major subsidiaries, including Firerock Capital Pte. Ltd. (“Firerock Cap.”) in Singapore, Firerock Co., Ltd. (“Firerock Co.”) in Thailand, Chun-Pu Technology (Shenzhen) Company Limited (“Chun-Pu Technology”), and Xiyun (Shenzhen) Network Technology Co., Ltd. (“Xiyun (Shenzhen)”) in Shenzhen, from 1 January 2024 to 31 December 2024 (the “Year”). Compared with the ‘Environmental, Social and Governance Report’ section in the 2023 Annual Report, the reporting scope of this Report has been expanded to include Xiyun (Shenzhen) Network Technology Co., Ltd., which was newly established on 20 December 2024.

### *Reporting Principles*

The Report is prepared primarily in accordance with the four reporting principles including materiality, quantitative, balance, and consistency stated in the Environmental, Social and Governance Reporting Guide (the “ESG Guide”) as summarized in Appendix C2 to the Main Board Listing Rules (the “Listing Rules”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Materiality	The Group identified ESG issues that are material to stakeholders and its business. For the process and results of the materiality analysis, please refer to the section headed “Materiality Assessment”.
Quantitative	The Group quantified, presented and disclosed key performance indicators (“KPIs”) where possible. Where necessary, the Report will set out in detail the standards, methodologies, assumptions, calculation basis and source of conversion factors used for KPIs.
Balance	The Report provides stakeholders with an unbiased picture of our overall ESG performance for the Year.
Consistency	As the reporting scope is different from last year, the data of the Year is not directly comparable to the data of last year. In addition, unless otherwise stated, the disclosure and statistical methods used in the Report are consistent with those used in the previous financial year to ensure a meaningful comparison. For any changes that may affect the comparison with previous reports, the Group will add explanatory notes to the relevant sections.

For information on the corporate governance of the Group, please refer to the section headed “Corporate Governance Report”.

### *Feedback*

The Group welcomes opinions and suggestions from stakeholders. You can provide valuable opinion in respect of the ESG Report or the Group’s performance in sustainable development by email to [lizj@firerock.sg](mailto:lizj@firerock.sg).

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### SUSTAINABILITY APPROACH

Not only do we provide players with innovative and excellent online gaming experience, we also deeply integrate ESG ideas into our business operations. In terms of environmental protection, we implemented various measures in order to reduce impacts on the environment. Besides, we fulfil social responsibilities in a proactive manner and provide employees with a safe working environment, competitive remuneration and benefits, and ample training opportunities. We also encourage employees to participate in community public welfare activities, such as volunteering service, charitable donation and environmental protection actions. These activities not only contribute to society, but also increase the cohesion and sense of social responsibility of employees.

#### *Statement from the Board*

The Board places great importance on the Group's sustainable development performance. To ensure the comprehensive integration of ESG concepts into all aspects of company management, we have established a sustainability governance structure to monitor ESG-related matters. The Board, as the highest management of the Group, is responsible for all ESG matters, such as: setting sustainable development goals, reviewing identified significant ESG issues and determining priority ranking. We have established an ESG working group to assist the Board in overseeing the achievement progress of ESG targets, so as to ensure the policies and measures formulated by the Board are effectively implemented in corporate operations.

#### *Sustainability Governance Structure*

The Group recognizes that sound ESG governance strategies are integral to the success of corporate development. Therefore, we have established a governance system with the Board as the core and clear responsibilities for the continuous and effective management of ESG matters. The Board, as the ultimate decision-making unit for ESG matters, has overall responsibility for the Group's ESG strategies and performance. The ESG working group, as the executive unit, is responsible for implementing and promoting the ESG management as well as the implementation of ESG strategic plans and risk management. The specific duties are as follows:

- |                   |   |
|-------------------|---|
| Board             | <ul style="list-style-type: none"><li>◇ Be responsible for overseeing the Group's sustainability strategy, ESG governance and risk management</li><li>◇ Establish sustainable development goals and provide strategic guidance for the implementation of sustainable development</li><li>◇ Evaluate ESG goals and review progress through regular assessment of ESG performance</li><li>◇ Review and approve annual ESG reports</li><li>◇ Oversee the Group's risk management and internal control mechanisms (including ESG risks) to ensure effective implementation of internal control measures, and incorporate ESG issues into the Group's risk management procedures</li></ul> |
| ESG working group | <ul style="list-style-type: none"><li>◇ Advise the Board on sustainability strategy, work plans and goals</li><li>◇ Review and implement ESG-related policies, procedures and measures</li><li>◇ Identify, evaluate and effectively manage ESG-related risks and opportunities, and report to the Board on a regular basis</li><li>◇ Collect ESG information and data for ESG disclosure</li></ul>  |

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### ESG Risk Management

The Board bears overall responsibility for the Group's ESG risk management. To effectively manage ESG-related risks, including environmental and social risks arising from climate change and supply chain, we have incorporated ESG risks into our current risk management procedures. Each department and the ESG working group comprehensively collect internal and external data through various channels, historical data, future forecasts, cases and information of other domestic and overseas companies in the same industry. They jointly identify and evaluate ESG risks that are significant to the Group through departments and risk management committee meetings, and submit them to the senior management for assessment. Finally, the Board regularly reviews the effectiveness of the Group's risk management system, conducts periodic evaluations of ESG-related goals, and formulates corresponding response plans.

### Responding to Global Sustainable Development Goals

As one of the major trends of global initiatives, the importance of sustainable development cannot be ignored. To this end, we respond to the United Nations' call to work together to promote sustainable development in line with the globally agreed 2030 Sustainable Development Goals ("SDGs"). We have identified 7 of these SDGs that are most relevant to our business nature and vision, and ensured that our ESG development approach aligns with them.

#### Professional talents

- Provide equal employment opportunities
- Encourage innovation, create a creative environment and promote a learning and growth workplace
- Create a healthy and comfortable office environment
- Resolutely oppose child labour and forced labour



#### Green environment

- Strive to reduce energy consumption and greenhouse gas emissions
- Strive to reduce water consumption and conserve water resources
- Strive to reduce the environmental impact of waste produced from our operation



#### Community support

- Uphold the belief of taking responsibility to repay society while developing the economy
- Be a responsible corporate citizen to actively participate in charitable activities to contribute to society



#### Anti-corruption

- Operate with high ethical standards and prohibit any form of bribery or corruption





## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

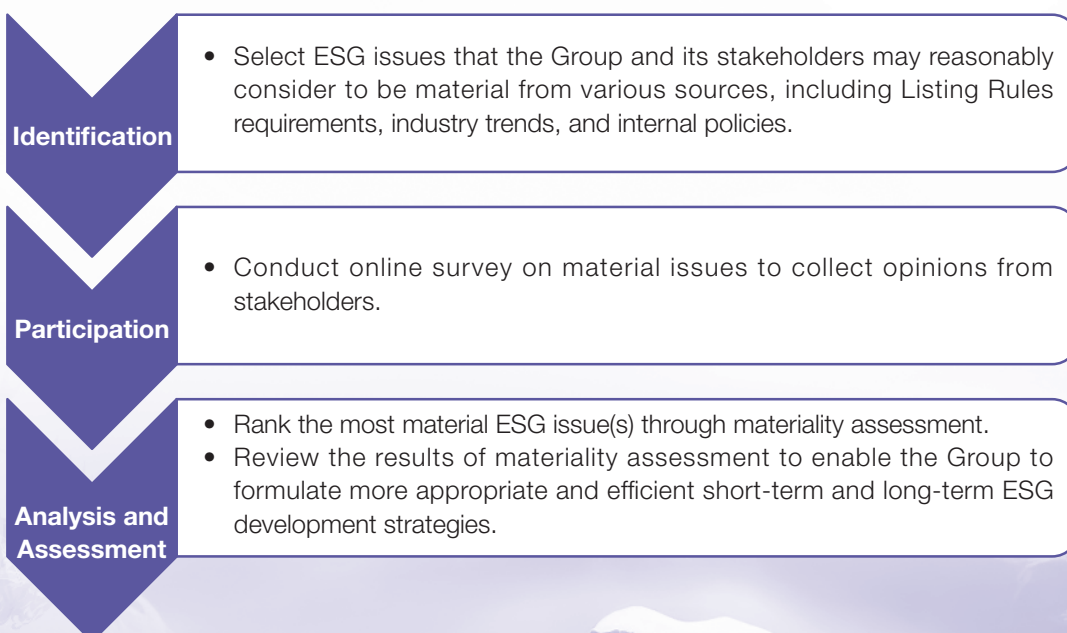
### PARTICIPATION OF STAKEHOLDERS

The Group is committed to obtaining stakeholders' opinions through various communication channels, and based on this, our sustainable development plan is optimized to maintain a strong relationship with stakeholders and create maximum value. The communication channels between the Group and its key stakeholders and their expectations and concerns about the Group are as follows:

Stakeholders	Expectations and concerns	Communication channels
<b>Shareholders</b>	<ul style="list-style-type: none"><li>• Business strategies</li><li>• Investment return</li><li>• Compliant operation</li></ul>	<ul style="list-style-type: none"><li>• General meetings</li><li>• Company's official website</li><li>• Annual reports and other public information</li></ul>
<b>Game users</b>	<ul style="list-style-type: none"><li>• Game quality</li><li>• Protection of data privacy</li><li>• Cyber security</li></ul>	<ul style="list-style-type: none"><li>• Online customer service</li><li>• Social media interaction</li></ul>
<b>Suppliers</b>	<ul style="list-style-type: none"><li>• Sustainability of supply chain</li><li>• Fair and open procurement</li></ul>	<ul style="list-style-type: none"><li>• Emails</li><li>• Meetings</li></ul>
<b>Employees</b>	<ul style="list-style-type: none"><li>• Remuneration packages</li><li>• Equal opportunity and training</li><li>• Health and safety</li></ul>	<ul style="list-style-type: none"><li>• Employee activities</li><li>• Performance assessment</li></ul>
<b>Government and regulatory authorities</b>	<ul style="list-style-type: none"><li>• Compliance with laws and regulations</li><li>• Tax payment in accordance with the law</li></ul>	<ul style="list-style-type: none"><li>• Company's website</li><li>• Statutory reports</li></ul>
<b>Community</b>	<ul style="list-style-type: none"><li>• Community development</li><li>• Public welfare activities</li></ul>	<ul style="list-style-type: none"><li>• Community activities</li><li>• Company's official website</li></ul>

### MATERIALITY ASSESSMENT

To understand the concerns of the stakeholders and identify the ESG issues that are or will be material to our business, so as to formulate strategies and approaches for sustainable development, we conducted a materiality assessment with the following steps:



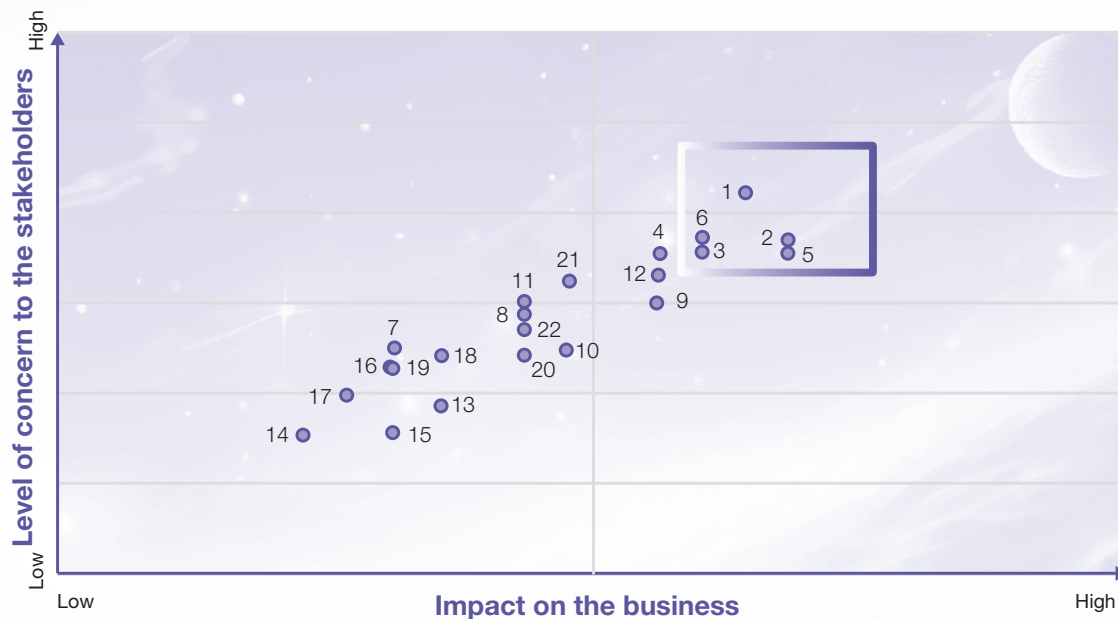
## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

As shown in the top right corner of the materiality matrix, the top five most important issues for the Year are:

- Game innovation and development capabilities
- Game quality, health and safety
- Privacy protection and cyber security
- Player complaint handling
- Player satisfaction

We will disclose concisely in this ESG Report.

**Materiality Matrix**



Issues	
1. Game innovation and development capabilities	12. Employee benefits
2. Game quality, health and safety	13. Emission management
3. Privacy protection and cyber security	14. Resource management
4. Product liability	15. Waste disposal
5. Player complaint handling	16. Climate change
6. Player satisfaction	17. Green procurement
7. Equal opportunity, diversity and antidiscrimination	18. Environmental and social risks of suppliers
8. Employment relationship	19. Supplier management
9. Occupational safety and health	20. Anti-corruption
10. Training and development	21. Protection of intellectual property rights
11. Child labour and forced labour prevention	22. Social contribution



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### GAME DEVELOPMENT

The Group is a game developer, publisher and operator primarily focusing on developing web-based games and mobile device games. Our games are available in multiple language versions, including English, German, French, Thai and simplified Chinese, which allow both domestic and overseas game players to experience our distinctive game offerings. We have authorized a number of well-known game operators to operate our games in designated regions and arranged Firerock Co. to self-operate our games in Thailand. Currently, web-based and mobile device games developed by the Group can be played smoothly on most online social platforms, such as Facebook, Apple's App Store and Google Play Store, as well as authorized third-party game publishing platforms.

### OPERATIONAL PRACTICES

#### *Healthy and Stable Cyberspace*

During the Year, our principal business operations were based in Thailand. The Company strictly adheres to the relevant laws and regulations pertaining to product responsibility, such as the Electronic Transactions Act, the Computer Crime Law and the Personal Data Protection Law of Thailand. Based on the understanding of our directors, we are not aware of any non-compliance with the aforementioned laws and regulations concerning game or network security and health during the Year.

At the same time, Firerock Co., as a self-operated game operator, has leased cloud servers and bandwidth for online games in Thailand and Singapore to ensure that we have sufficient resources to meet the demand of players during peak time and provide players with stable and high-speed game experience.

#### *Game Development*

During the game development process, several key stages are typically covered, including concept confirmation, evaluation, development, programming and commercialization. In order to ensure the high quality of game products and the needs of players are met, the Group has set up a professional technical team to conduct repeated testing and optimization during the development and operation stages of the games. We introduce a game demo internally for employees to do playtests and collect feedback so that problematic parts can be fixed in a timely manner, ensuring that there are no significant system errors before launching it, and guaranteeing smooth gameplay. Also, when a game is launched, we continuously monitor its performance, analyze players' behavior and feedback, promptly identify problems and optimize game features so as to keep improving user experience.

#### *Game Operation and Feedback from Players*

Customer satisfaction is the core of the Group's sustainable development. Once problems or defects about game programming are found, the research & development and testing departments follow up and rectify them promptly. In general, the customer service department communicates with our players and handles relevant questions directly. If comments about game quality or rather serious complaints appear, the customer service personnel will contact the manager of relevant departments for follow-up. Department managers will be fully involved in handling complaints until the problem is satisfactorily resolved to ensure that we continue to improve the quality of our service and game. During the Year, we did not receive any material complaints.





## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### *Player Privacy Protection*

As a game company, we collect, transmit, and store personal identity information and data generated by players in the course of our operations. The protection of players' data privacy and other related information is therefore of paramount importance to the Group. The Group strictly complies with the Personal Data Protection Act 2012 (2020 Revised Version) and the Personal Data Protection Law of Thailand, the Personal Data Protection Act of Singapore, the Personal Information Protection Law of the People's Republic of China, the Data Security Law of the People's Republic of China, and other applicable laws and regulations.

When the games are running, information pertaining to registration, game roles, value top-up records, game experience data and item information provided by players through authorized operational platforms and game systems are regarded as private and personal data of the game players. In order to enhance the protection and careful handling of users' information, we have adopted the following measures in data management to ensure players' personal information is well-protected:

- ◇ Access control: Hierarchical access and access restrictions are implemented, allowing only authorized employees to access related information within the defined limitations.
- ◇ Network security: Anti-virus software and firewall equipment are installed to prevent illegal external access to the user database and protect the players' information.
- ◇ Data back-up and encryption: Data are regularly backed up and sensitive information are transmitted and stored in an encrypted manner to enhance data security.
- ◇ Decentralized storage: Collected data are separately stored in different locations on the server to reduce the risk of losing a large scale of data.
- ◇ Permission inspection: Permission of database system users are regularly checked to prevent unauthorized personnel from performing illegal operations.

In addition, we also require our employees to sign a Confidentiality Agreement when they join us to ensure that they understand that the personal information of users collected during the provision of services must be kept strictly confidential and must not be disclosed, tampered with, damaged, sold, or illegally provided to others. For those employees who violate the regulations, the Group will give verbal or written warnings or take disciplinary actions, and may even terminate the employment of those who have committed serious violations or repeated misconduct.

During the Year, the Group was not aware of any serious breaches of law relating to data security and privacy.

### *Intellectual Property Rights of Games*

The Group regards intellectual property rights as a result of the innovation and efforts of the team, which is also an important cornerstone for the steady development of the Group. The Group is committed to the Patent Law, the Trademark Law, the Copyright Law, and the Administrative Measures on Internet Domain Names of the People's Republic of China; the Intellectual Property Act, the Copyright Act, the Trade Marks Rules and the Patents Rules of Singapore; and the Patent Act, the Copyright Act and the Trademark Act of Thailand. To the best knowledge of the Directors of the Company, there were no significant incidents of non-compliance with the aforesaid laws and regulations relating to intellectual property rights during the Year.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group has formulated the “Intellectual Property Management Manual” and has established internal regulations on source code protection and confidentiality management to specify the relevant responsibilities of employees, authorized operators and other third parties in the preparation and use of confidential information. At the same time, written agreements with service providers and authorized operators, containing clauses for intellectual property protection, are also signed to safeguard the Group’s works, trade secrets, and related intangible assets from unauthorized use. Besides, the Group has dedicated personnel who are responsible for intellectual property rights management, ensuring timely registration of various intellectual property rights, including internet domain names, trademarks, software copyrights, and game code, in the jurisdictions where the business operates, thereby safeguarding the interests of its intellectual property rights. Also, we arrange dedicated personnel to conduct regular inspections. If any infringement or action that compromises the company’s interests is discovered, lawyers will be engaged to assist in safeguarding our proprietary intellectual property rights. To ensure that the materials are originally created by our employees, our games undergo intellectual property rights analysis before release to avoid any risks of infringement.

### *Advertisement Promotion*

The Group promotes game products through various forms of advertising, such as online advertisement. To ensure the accuracy and compliance of promotional and advertising content, all advertisements must be reviewed by the marketing department before publication. During the Year, the Group did not violate any laws and regulations related to advertising, such as the Advertising Law of the People’s Republic of China, the Consumer Protection Act of Thailand and the Code of Advertising Practice of Singapore. Due to the nature of our business, product labeling is not applicable to the Group.

### *Supply Chain Management*

The Group is well aware that supply chain management is inseparable from sustainable development, and is therefore committed to establishing long-term harmonious partnerships with suppliers. We expect suppliers to uphold the principles of integrity and pragmatism, and to strictly comply with requirements of relevant laws and regulations when providing products and services.

The major suppliers of our business include server and bandwidth leasing companies, game operation service providers, online payment service providers, and subcontractors of art and audio production. The regional distribution is as follows:

Region	Number of major suppliers	
	2024	2023
Thailand	4	4
PRC	9	8
Total	13	12

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

We manage ESG risks in our supply chain through supplier evaluation and assessment procedures. When selecting suppliers, we have formulated the “Operator Assessment Form” where we evaluate and obtain quotations from at least two suppliers. Suppliers capable of promoting social and environmental sustainability will be given priority consideration under the same evaluation score, aiming to more effectively manage and control ESG risks in our supply chain. For first-time cooperation, suppliers are required to submit past cases for review, while previously collaborated suppliers need to submit their past works for review. Additionally, business executives conduct annual assessments of suppliers based on the evaluation criteria specified in the “Annual Evaluation Form for Outsourcing Suppliers”, including quality, timely delivery, etc., to ensure compliance with quality requirements.

Given the increasing emphasis on sustainable development in society, in addition to our own ESG performance, we have also started to pay attention to the sustainability of our suppliers. We require outsourcing service providers for art and audio production to sign agreements that include intellectual property commitment provisions, ensuring that the deliverables they provide have appropriate intellectual property ownership or legal authorization.

## TALENT MANAGEMENT

### *Employment Rights*

The Group believes that maintaining a stable and innovative workforce is crucial to the success of our business. We attract talents through a people-oriented, harmonious, and inclusive workplace culture. We respect and protect the legitimate interests of every employee, and we strictly comply with the Labour Law, the Labour Contract Law, and the Social Insurance Law of the People’s Republic of China; the Employment Act 1968 of Singapore; the Working of Alien Act, the Social Security Act, and the Workmen’s Compensation Act of Thailand; and other employment-related laws and regulations. During the Year, to the best knowledge of the Directors of the Group, we have not received any significant administrative sanctions or penalties for non-compliance with employment laws or regulations.

Recruitment and promotion opportunities are equal and fair to all employees in the Group, regardless of age, gender, physical or mental health status, marital status, family status, race, colour, nationality, religion, political affiliation, sexual orientation, and other similar factors. We place great emphasis on the opinions of all employees and actively adopt their suggestions to improve workplace productivity and promote workplace harmony. We recruit through multiple channels such as employee referrals, online recruitment, campus recruitment and talent acquisition. To facilitate the integration of new employees into our big family, the human resources department provides continuous support and guidance during their first week of employment to ensure a smooth transition.

We have formulated the Regulations for Remuneration System and the Administrative Regulations for Employee Performance Appraisal to offer bonuses or promotions based on regular performance reviews of employees. In the meantime, the human resources department will also review remuneration by referencing relevant positions in the market on a regular basis to ensure that our remuneration practices are competitive and in line with market levels. Besides, we provide social insurance and housing provident funds in compliance with legal requirements to our employees. When an employee resigns, we will arrange exit interviews to understand the reasons for their resignation and welcome suggestions for improvement.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Employee Distribution

The composition of the workforce by employment type, gender, region, and age group as of 31 December 2024 is set out below:

	2024	2023
<b>Employee data</b>		
By employment type		
Full-time	151	107
Part-time	—	1
By gender		
Male	92	58
Female	59	50
By region		
PRC	45	14
Singapore	36	36
Thailand	64	53
Hong Kong	6	5
By age group		
21–30	87	63
31–40	50	38
41–50	8	4
51–60	6	3
Total number of employees	151	108
<b>Employee turnover rate<sup>1</sup></b>		
By gender		
Male	20%	179%
Female	20%	60%
By region		
PRC	11%	793% <sup>2</sup>
Singapore	31%	6%
Thailand	22%	38%
Hong Kong	—	20%
By age group		
21–30	15%	156%
31–40	30%	89%
41–50	25%	50%
51–60	—	—
Overall employee turnover rate	20%	124%

<sup>1</sup> The employee turnover rate was calculated by dividing the number of resigned employees in such category during the Reporting Period by the number of working employees in such category by the end of the Reporting Period.

<sup>2</sup> For Year 2023, due to the Group's adjustment of business development direction, we have shifted our focus into the Southeast Asian region and reduced our business operations in the PRC. As a result, there has been a higher employee turnover rate in the PRC.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

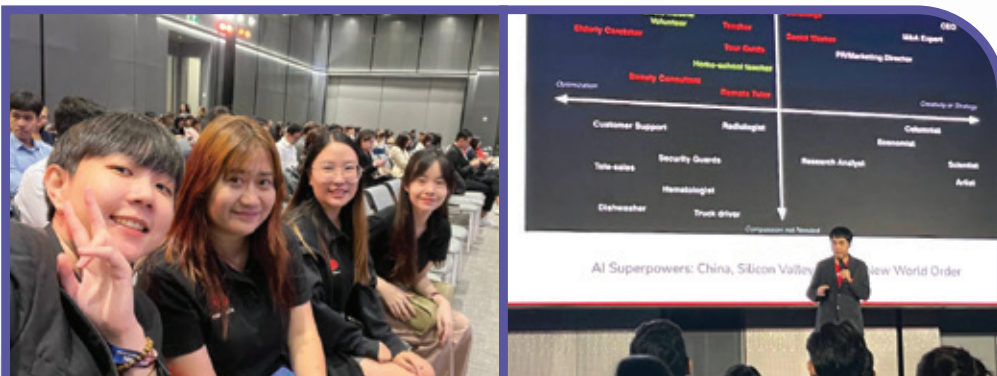
### Employee Training

The Group is committed to providing employees with abundant learning resources and ample development opportunities. We encourage employees to actively participate in training and further education, aiming to help stimulate employees' enthusiasm for continuous learning and self-improvement. We divide training into new employee induction training and conventional training. The following are the main training themes for the Year:

Training projects	Training targets	Training content
<b>Induction training</b>	New employees	Conventional training for new employees, aimed to facilitate their understanding of corporate culture and regulations.
<b>Leadership skills</b>	Managers	Understand personnel management trends in the era of artificial intelligence by participating in the human resources seminars.
<b>Technical exchange and sharing</b>	General and technical personnel, and managers	Through sharing of experiences in utilizing AI technology and Microsoft Copilot in game art design, we aim to create a conducive platform for sharing, enhancing employee skills, and boosting work enthusiasm.



AI Technology and Microsoft Copilot Training and Sharing



Human Resources Seminar

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the Year, the training data of the Group is as follows:

Employee training data	2024	2023	Unit
<b>Employee training hours</b>			
Total training hours	1,250.3	472.4	Hours
Average training hours	8.28	4.37	Hours/person
<b>Percentage of trained employees by gender<sup>3</sup></b>			
Male	34.88	68.29	%
Female	65.12	31.71	%
<b>Percentage of trained employees by type of employee</b>			
Senior management	2.33	1.83	%
Middle management	20.93	11.59	%
General and technical personnel	76.74	86.58	%
<b>Average training hours by gender</b>			
Male	6.00	4.61	Hours/person
Female	11.84	4.10	Hours/person
<b>Average training hours by type of employee</b>			
Senior management	5.54	1.62	Hours/person
Middle management	12.52	8.31	Hours/person
General and technical personnel	7.92	4.30	Hours/person

<sup>3</sup> The percentage of trained employees is calculated by dividing the number of trained employees in such category by the total number of trained employees during the Reporting Period.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### *Employee Occupational Health and Safety*

The Group highly values the health and safety of employees. Businesses of the Group do not involve dangerous or high-risk occupational hazards. In terms of occupational safety and health management, the Group provides its employees with a safe workplace in strict accordance with the Prevention and Control of Occupational Diseases Law, and the Regulation on Work-Related Injury Insurance of the People's Republic of China; the Workplace Safety and Health Act 2006 of Singapore; and the Occupational Health Safety and Working Environment Act of Thailand, and other relevant laws and regulations.

To protect the health of our employees, we arrange body checks for them every year. We have been making strong efforts to create a healthy and comfortable office environment where employees are provided with ergonomic office desks and chairs together with a gym for workout in their spare time so as to prevent common ailments such as cervical spine injury and pain in the back and legs caused by prolonged desk work in the office. Plantations are also set up in the office area to mitigate radiation released from electronic devices. Furthermore, we have engaged professional disinfection agencies to carry out regular disinfection of the office on a monthly basis, further improving the quality of our office environment. We also participated in fire drills to ensure that employees are well equipped with basic knowledge about fire incidents, such as the use of fire-fighting tools and escape methods to enhance their responsiveness and self-rescue capabilities in emergency situations. In the past three years, the Group has had no work-related injuries or work-related fatalities. The number of lost days due to work injury for the Year was nil.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### *Care for Our Employees*

To demonstrate our care and regard for employees, we organize various festive entertainment activities regularly for employees. These include holiday gatherings, lucky draws, and gifts, as gestures of gratitude and encouragement. These initiatives not only make employees feel recognized for their efforts and contributions but also foster a stronger sense of belonging to the Group. Additionally, we regularly organize birthday celebrations for employees, and prepare birthday cakes and gifts. We also organize a diversity of team-building activities such as games and sports to enhance communication and strengthen the bonding and collaboration among colleagues, ultimately fostering a greater sense of unity within the team.



Team-building Activity in Thailand Region



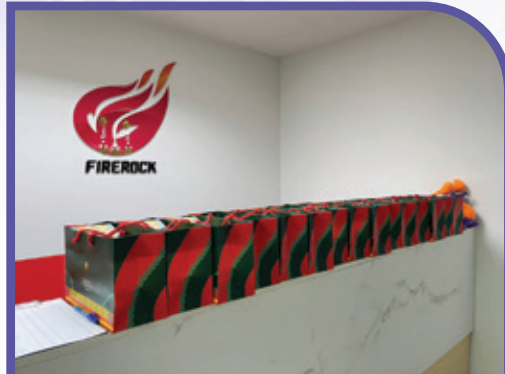
Team-building Activity in Shenzhen Region



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



Giving out red packets to employees during Lunar New Year



Giving out mooncakes to employees during Mid-Autumn Festival



Giving out rice dumplings to employees during Dragon Boat Festival



The Songkran Festival



New Year's Day Employee Activities





## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### *Ongoing Innovation*

Innovation is one of the Group's core values. To stimulate innovative thinking among employees and encourage creative ideas within the team, we have introduced the "Creative Game Planning Proposal Submission and Selection Incentive System", which is to solicit groundbreaking creative game planning proposals. Once outstanding proposals are adopted and developed into official games, the participants will be rewarded with additional bonuses as an incentive. Through these measures, the Group aims to cultivate and discover the creative potential of employees, motivate their enthusiasm, and encourage their focused and dedicated efforts in brainstorming creative game planning proposals. Additionally, this initiative enhances the team's innovative capabilities and spirit of teamwork. Such a work environment driven by creativity as the core contributes to the continuous development and competitiveness of the Group, while further increasing employee satisfaction with their work.

### *Labour Standards*

The Group strictly complies with laws and regulations relating to the prevention of child labour or forced labour, including but not limited to the Labour Law, the Law on the Protection of Minors, and the Provision on the Prohibition of Using Child Labor of the People's Republic of China; the Employment (Children and Young Persons) Regulations of Singapore; the Labour Protection Act, and the Labour Relations Act of Thailand. During the recruitment process, the Human Resources department conducts checks on the identity information of applicants to ensure that they are of legal working age. In addition, the Group implemented 5 working days per week and a total of 40 working hours, and each employee is entitled to national statutory holidays, wedding leave, funeral leave, maternity leave, nursing leave, and breastfeeding leave. We provide ample rest time for employees, respect and uphold their personal freedom rights, and strictly prohibit any possibility of forced labour. In case of any employment of child or forced labour, we will take actions immediately to terminate such employment and carry out investigations. During the Year, the Group has not encountered any significant issues violating laws and regulations related to the prevention of child labour or forced labour.

## ENVIRONMENTAL PROTECTION

### *Emissions and Use of Resources*

As a company that focuses on developing web-based and mobile device games, our business has very limited impact to the environment and natural resources. As the Group principally engages in the development of web-based and mobile device games, which are mainly office-based operations, its daily businesses do not involve significant air emissions and pollution of water and land, and do not generate other significant hazardous waste or packaging materials. The Group strictly complies with all relevant environmental laws and regulations in each region, including the Environmental Protection Law, the Energy Conservation Law, the Law on Prevention and Control of Environmental Pollution by Solid Waste, the Water Pollution Prevention and Control Law, the Law on the Prevention and Control of Atmospheric Pollution, and the Law on Environmental Impact Assessment of the People's Republic of China; the Environmental Protection and Management Act, the Environmental Public Health Act, and the Energy Conservation Act 2012 of Singapore; and the Hazardous Substance Act, the Public Health Act, and the Cleanliness and Orderliness Act of Thailand. During the Year, the Group did not have any non-compliance with the aforementioned laws and regulations relating to greenhouse gas emissions and waste management and was not subject to any significant administrative sanctions or penalties in this regard.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Carbon Emissions and Energy Management

During the Year, the major source of the Group's greenhouse gas emissions was from office equipment, including externally purchased electricity consumed by electronic devices, mechanical rooms and lighting, in which no direct greenhouse gas emissions were involved (Scope 1). The data regarding indirect greenhouse gas emissions and electricity consumption can be referred to in the following table:

Greenhouse Gas Emission and Energy Consumption <sup>4</sup>	2024	2023	Unit
<strong>Greenhouse gas emissions</strong>			
Greenhouse gas emissions (Scope 2) — electricity consumption	<strong>90.14<sup>5</sup></strong>	59.42	Tonnes of CO <sub>2</sub> e
Intensity of greenhouse gas emissions (Scope 2) — electricity consumption	<strong>0.10<sup>6</sup></strong>	0.13	Tonnes of CO <sub>2</sub> e/each m <sup>2</sup> of gross floor area
<strong>Energy consumption</strong>			
Total electricity consumption	<strong>206,992</strong>	132,122	kWh
Intensity of electricity consumption	<strong>218.29</strong>	299.56	kWh/each m <sup>2</sup> of gross floor area

Although our daily operation does not have any direct and material impact on the natural environment, the Group believes in the importance of environmental protection, thus actively strives to reduce energy consumption and greenhouse gas emissions. To achieve this goal, we have implemented the following measures to improve energy efficiency:

- ◇ Energy conservation notices were posted in the Company's premises to remind employees to turn off all unnecessary electronic equipment before leaving every day;
- ◇ Constant temperature was maintained, and the temperature of air conditioners was kept at 26°C;
- ◇ LED lightbulbs were used in offices to reduce electricity consumption;
- ◇ Comparison of different models was made in the procurement of electronic equipment, and preference was given to brands with outstanding performance in energy efficiency;
- ◇ Employees were encouraged to turn off all unused lighting devices and electronic equipment and devices during lunch break or temporary absence from their workstations; and
- ◇ Benefits of the culture of energy conservation and carbon reduction were disseminated via internal emails on a regular basis.

<sup>4</sup> The methods and emission factors for calculating environmental KPIs in the ESG Report refer to "How to Prepare an ESG Report Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Hong Kong Stock Exchange, the national emission factors formulated by the Ministry of Ecology and Environment of China in 2022, the emission factors released by the Energy Market Authority (EMA) of Singapore in 2024, and the emission factors released by the Ministry of Energy of Thailand in 2024.

<sup>5</sup> Greenhouse gas emissions (Scope 2) of the Year increased when compared to last year due to newly added office area in Shenzhen and Thailand region resulting in an increase in total electricity consumption when compared with last year.

<sup>6</sup> The intensity of greenhouse gas emissions of the Year decreased when compared to last year due to the increase in the meter square of gross floor area.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In order to effectively enhance and evaluate our social responsibility for protecting the environment, our initial goal is to reduce carbon footprint, and make our business development more environmentally friendly and sustainable, by strictly implementing the aforementioned emission reduction and energy-saving measures. We also aim to gradually reduce waste gas, carbon emissions, and energy consumption in the future, aligning with the national strategy of achieving carbon neutrality by 2060.

### *Water Consumption Reduction Goal*

Our water consumption was mainly for office use and all consumed water comes from municipal water supply so currently there is no issue in sourcing water. Despite the fact that no significant water consumption is involved in our course of operation, we still post signs to remind our employees to conserve water, with an aim to raise the awareness of our employees to cherish water resources.

	2024	2023	Unit
<b>Water consumption<sup>7</sup></b>			
Total water consumption	83 <sup>8</sup>	21	m <sup>3</sup> m <sup>3</sup> /each m <sup>2</sup> of gross floor
Intensity of water consumption	3.77	0.75	area

### *Reduce Waste Generation*

Non-hazardous waste produced by the Group is domestic waste produced in the office, and no significant hazardous waste are generated in the ordinary course of business. In the office environment, paper is a major source of non-hazardous waste. We encourage our staff to minimize the use of paper in their daily work and promote the circulation of documents in electronic form, such as via email and the use of electronic files, to reduce the use of paper. Meanwhile, we encourage our employees to recycle paper to reduce the consumption of natural resources. We also expect to strengthen our digitalized management in the coming years to further reduce the use of paper in order to reduce the environmental impact caused by waste generated from our operations. To reduce non-hazardous waste, the Group has implemented the following measures:

- ◇ Waste classification and environmental protection notices were posted in the Company's premises to encourage employees to communicate electronically;
- ◇ A paperless office was established to encourage the use of electronic documents as much as possible; and
- ◇ Double-sided printing is encouraged to reduce the use of paper.

On the other hand, plastic is also a common waste in our office environment. We strive to reduce the use of disposable plastic products, such as plastic cups and cutlery, and encourage employees to use reusable cups, cutlery and water bottles to reduce the generation of plastic waste. At the same time, we actively motivate employees to participate in the plastic recycling program where they classify and treat recyclable plastics. Domestic waste is another source of non-hazardous waste in the office environment. We encourage our employees to classify the waste to ensure that it is properly treated and disposed of to reduce the adverse impact on the environment.

<sup>7</sup> Since Year 2023, water consumed in most of the offices in Shenzhen, Singapore, and Thailand was provided by property management companies. However, the respective property management offices consider it impractical to provide individual tenants with water and wastewater data or separate metering. Therefore, the water consumption data disclosed in Years 2023 and 2024 only included the information of an office in Thailand with independent water consumption data.

<sup>8</sup> As employees in Thailand seldom stayed at the office in Year 2023 while it resumed to normal in Year 2024, the total water consumption increased when compared with last year.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

	2024	2023	Unit
<b>Non-hazardous waste</b>			
Total waste production	<b>1.09</b>	0.86	Tonnes
Intensity of total waste production	<b>3.77</b>	3.48	kg/each m <sup>2</sup> of gross floor area
Total waste disposal	<b>1.09</b>	0.84	Tonnes
Total waste recycled	—	0.02	Tonnes

### *Climate Change*

We are aware of the severe negative impacts of global warming and extreme weather on the world, which will affect our business development in the long run. We believe that the physical risk of game service interruptions or data loss caused by extreme weather events has a relatively significant impact on our business. Our game operation business relies on the network infrastructure and technology systems of reliable and stable in-house and third-party service providers to ensure smooth operation of our games and provide our players with high-quality game experience. Therefore, in addition to situations such as fires, floods, power shortages, network or telecommunication facility failures caused by natural disasters that affect the work progress at our offices, any extreme weather events in the places where our self-operated segments, our authorized operators or third-party server or network service providers operate may cause interruptions to our network and game services, directly affecting the game experience of our users. In this regard, we have established a written policy to perform quarterly recovery tests on our back-up data to ensure the availability of our back-up data.

At the same time, we may also be affected by increasingly stringent environmental-and-climate-related standards and regulatory changes. To address this transition risk, we continuously monitor the latest developments in climate change laws and regulations to ensure that we strictly abide by the laws and regulations related to the environment and climate change in the places where we operate, and we try our best to reduce the impact of climate change on the environment in the course of operation.

### ANTI-CORRUPTION

Our Directors and employees adhere to the code of conduct to ensure that the Group conducts business with a high standard of integrity and we prohibit any form of bribery or corruption. The Group strictly complies with the relevant laws and regulations on anti-corruption in the places where it operates, including the Anti-Money Laundering Law, the Anti-Unfair Competition Law, and the Interim Provisions on Banning Commercial Bribery of China; the Prevention of Corruption Act of Singapore; the Organic Act on Prevention and Suppression of Corruption 2018, and the Anti-dumping Measure of Thailand. To demonstrate our commitment to preventing corruption and maintaining a high level of business ethics and integrity, we have formulated the Anti-corruption and Anti-fraud Reporting Procedures to require employees to report any suspected cases of unethical or illegal practices. Whistle-blowers can report anonymously by phone, fax or email. If there is any suspected case of corruption or bribery, the task force will conduct a comprehensive investigation, and then report to the Board for further action.

We regularly provide the Board and relevant employees with information on anti-corruption through email and document circulation to enhance the awareness of integrity and professional conduct of all employees. During the Year, the Group was not aware of any significant non-compliance with laws and regulations relating to bribery, extortion, fraud and money laundering.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### COMMUNITY INVESTMENT

The Group has always adhered to the belief of taking up the responsibility of repaying society while developing the economy, and has continuously deepened the operational philosophy of “economic benefits and social value symbiosis”. During the Year, the Chiang Rai region in Thailand was affected by floods, resulting in submerged houses, paralyzed infrastructure, and disrupted public service systems. The Group hopes to provide assistance to the affected residents by making targeted donations to three relief funds, with a cumulative investment of THB300,000 (approximately HKD70 thousand) for the reconstruction of the disaster-stricken areas. We also donated daily necessities and one V-bottom boat to the affected residents to enhance accessibility in the stranded areas, supporting the victims through this crisis.



Donation of supplies to Chiang Rai, Thailand affected by floods



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In addition, the Group also supports remote villages on the outskirts of Bangkok by donating daily necessities to approximately 120 households, including rice, instant noodles, laundry detergent, toothpaste, toothbrushes, shampoo, body wash, first-aid kit medicines, and bath towels. The expense of this event was approximately THB150,000 (approximately HKD35 thousand).



Donation of supplies to remote areas of Bangkok

The Group also contacted a children's organization in Bangkok (Baan Nokkamin Foundation) to initiate a supplies donation program, encouraging employees to donate unused items such as clothes, stationery, toys, school bags, and books to underprivileged children in need. Looking ahead, the Group will continue to maintain close relations with society, assisting those in need and contributing to the community.

## INDEX OF THE ESG REPORTING GUIDE OF HONG KONG EXCHANGES AND CLEARING LIMITED

Subject Areas, Aspects, General Disclosures and KPIs		Chapter
<b>A. Environmental</b>		
<b>Aspect A1: Emissions</b>		
<b>General Disclosure</b>	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environmental Protection
<b>KPI A1.1</b>	The types of emissions and respective emissions data.	Carbon Emissions and Energy Management
<b>KPI A1.2</b>	Total direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Carbon Emissions and Energy Management
<b>KPI A1.3</b>	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Due to the nature of the Group's business, no hazardous waste has been produced
<b>KPI A1.4</b>	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Reduce Waste Generation
<b>KPI A1.5</b>	Description of emissions target(s) set and steps taken to achieve them.	Responding to Global Sustainable Development Goals Carbon Emissions and Energy Management
<b>KPI A1.6</b>	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Responding to Global Sustainable Development Goals Reduce Waste Generation

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Areas, Aspects, General Disclosures and KPIs		Chapter
<b>Aspect A2: Use of Resources</b>		
<b>General Disclosure</b>	Policies on the efficient use of resources, including energy, water and other raw materials.	Carbon Emissions and Energy Management Water Consumption Reduction Goal
<b>KPI A2.1</b>	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh) and intensity (e.g. per unit of production volume, per facility).	Carbon Emissions and Energy Management
<b>KPI A2.2</b>	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Water Consumption Reduction Goal
<b>KPI A2.3</b>	Description of energy use efficiency target(s) set and steps taken to achieve them.	Responding to Global Sustainable Development Goals Carbon Emissions and Energy Management
<b>KPI A2.4</b>	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Responding to Global Sustainable Development Goals Water Consumption Reduction Goal
<b>KPI A2.5</b>	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The Group's operations do not involve packaging materials
<b>Aspect A3: The Environment and Natural Resources</b>		
<b>General Disclosure</b>	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	Emissions and Use of Resources
<b>KPI A3.1</b>	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Emissions and Use of Resources
<b>Aspect A4: Climate Change</b>		
<b>General Disclosure</b>	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change
<b>KPI A4.1</b>	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Areas, Aspects, General Disclosures and KPIs		Chapter
<b>B. Social</b>		
<b>Employment and Labour Practices</b>		
<b>Aspect B1: Employment</b>		
<b>General Disclosure</b>	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare.	Employment Rights Care for Our Employees Ongoing Innovation
<b>KPI B1.1</b>	Total workforce by gender, employment type, age group and geographical region.	Employee Distribution
<b>KPI B1.2</b>	Employee turnover rate by gender, age group and geographical region.	Employee Distribution
<b>Aspect B2: Health and Safety</b>		
<b>General Disclosure</b>	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to providing a safe working environment and protecting employees from occupational hazards.	Employee Occupational Health and Safety
<b>KPI B2.1</b>	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Employee Occupational Health and Safety
<b>KPI B2.2</b>	Lost days due to work injury.	Employee Occupational Health and Safety
<b>KPI B2.3</b>	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Employee Occupational Health and Safety

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Areas, Aspects, General Disclosures and KPIs		Chapter
<b>Aspect B3: Development and Training</b>		
<b>General Disclosure</b>	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Employee Training
<b>KPI B3.1</b>	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Employee Training
<b>KPI B3.2</b>	The average training hours completed per employee by gender and employee category.	Employee Training
<b>Aspect B4: Labour Standards</b>		
<b>General Disclosure</b>	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards
<b>KPI B4.1</b>	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
<b>KPI B4.2</b>	Description of steps taken to eliminate such practices when discovered.	Labour Standards
<b>Operating Practices</b>		
<b>Aspect B5: Supply Chain Management</b>		
<b>General Disclosure</b>	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
<b>KPI B5.1</b>	Number of suppliers by geographical region.	Supply Chain Management
<b>KPI B5.2</b>	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
<b>KPI B5.3</b>	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
<b>KPI B5.4</b>	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Areas, Aspects, General Disclosures and KPIs		Chapter
<b>Aspect B6: Product Responsibility</b>		
<b>General Disclosure</b>	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Healthy and Stable Cyberspace Game Development Advertisement Promotion
<b>KPI B6.1</b>	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable to the Group's operations
<b>KPI B6.2</b>	Number of products and service related complaints received and how they are dealt with.	Game Operation and Feedback from Players
<b>KPI B6.3</b>	Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property Rights of Games
<b>KPI B6.4</b>	Description of quality assurance process and recall procedures.	Game Operation and Feedback from Players
<b>KPI B6.5</b>	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Player Privacy Protection
<b>Aspect B7: Anti-corruption</b>		
<b>General Disclosure</b>	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to bribery, extortion, fraud and money laundering.	Anti-corruption
<b>KPI B7.1</b>	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
<b>KPI B7.2</b>	Description of preventive measures and whistleblowing procedures, and how they are implemented and monitored.	Anti-corruption
<b>KPI B7.3</b>	Description of anti-corruption training provided to directors and staff.	Anti-corruption



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Areas, Aspects, General Disclosures and KPIs		Chapter
<b>Aspect B8: Community Investment</b>		
<b>General Disclosure</b>	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment
<b>KPI B8.1</b>	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
<b>KPI B8.2</b>	Resources contributed (e.g. money or time) to the focus area.	Community Investment

## DIRECTORS AND SENIOR MANAGEMENT

### DIRECTORS

#### *Executive Directors*

Mr. ZHOU Zhiwei (Chief Executive Officer)  
Mr. KOA Jun Wei Victor (Chief Technology Officer) (*appointed on 1 March 2025*)  
Mr. GAO Bo  
Ms. WONG Yan

#### *Independent Non-executive Directors*

Mr. TAM Chik Ngai Ambrose  
Ms. CHOW Woon San Shirley  
Mr. LOK Tze Bong

### BOARD OF DIRECTORS

The term of service for Directors is three years, and Directors are permitted to be re-elected. Responsibilities of the Board include but are not limited to (i) convening general meetings, reporting on the Board's work at these meetings, implementing the Shareholders' resolutions passed at these meetings; (ii) determining business operation, financial, capital and investment plans; (iii) determining internal management structure, setting down fundamental management rules; (iv) appointing and discharging members of senior management, determining Directors' remuneration and formulating the proposals for profit distributions and for the increase or reduction of registered capital; and (v) taking responsibilities pursuant to the relevant laws, regulation and the Articles of Association.

### DIRECTORS

#### *Mr. ZHOU Zhiwei (周志為)*

*Executive Director and chief executive officer*

Mr. Zhou Zhiwei, aged 38, was appointed as an executive Director and the chief executive officer on 31 March 2023. Mr. Zhou has entered into a letter of appointment with the Company for a term of 3 years commencing on 31 March 2023, and he is entitled to a director's fees of SGD12,000 per month.

Mr. Zhou has more than 15 years of experience in e-commerce. Mr. Zhou acted as the chief executive officer and a director of Firerock Capital Pte. Ltd. since January 2023, which is a subsidiary of the Company. From October 2013 to April 2022, Mr. Zhou was the co-founder and served as the chief technology officer at Castlery Pte. Ltd., where he was mainly responsible for software development and advertisement for the furniture e-commerce brand. During Mr. Zhou's office at Castlery Pte. Ltd., he established multiple teams across product management, software development, software quality assurance and online operation and scaled the business from the single Singapore market to Australia and the United States. From June 2013 to October 2013, Mr. Zhou worked at Mastercard with his last position as senior software engineer, where he was mainly engaged in software development. From May 2012 to May 2013, Mr. Zhou worked at Tremor Video with his last position as web UI engineer, where he was mainly engaged in building advertising administrative backend. From May 2010 to April 2012, Mr. Zhou worked at PayPal with his last position as software engineer, where he was mainly engaged in website development for payment solution. Taking into account Mr. Zhou's working experiences in e-commerce, the Board believes that he can provide valuable advice on the direction of the Company's business development. Mr. Zhou shall focus more on the operations of the Group's foreign business.

Mr. Zhou graduated from National University of Singapore in June 2010 with a bachelor's degree in computing.



## DIRECTORS AND SENIOR MANAGEMENT

### **Mr. KOA Jun Wei Victor (柯俊偉)**

*Executive Director and chief technology officer*

Mr. Victor Koa Jun Wei, aged 30, was appointed as an executive Director and the chief technology officer on 1 March 2025. Mr. Koa has entered into a letter of appointment with the Company for a term of 3 years commencing on 1 March 2025, and he is entitled to a director's fees of SGD12,000 per month.

Mr. Koa has extensive of experience in software engineering and design, game development, system architecture and real-time programming. Since April 2022, Mr. Koa has served as the tech lead of Firerock Capital Pte Ltd., being a subsidiary of the Company, and is mainly responsible for overseeing game development, designing and implementing core systems and fixing critical errors and bugs. From July 2020 to June 2022, Mr. Koa served as the tech lead/design lead of IronHeart Studios, where he was mainly responsible for the development of a farming simulation game and the designing and coding of core systems. From January 2021 to July 2021, Mr. Koa served as a machine learning engineer/unity programmer of One Unify. From September 2018 to December 2019, Mr. Koa served as a teaching assistant at Digipen Institute of Technology.

Mr. Koa obtained a diploma in financial informatics from Ngee Ann Polytechnic in Singapore and a Bachelor of Science degree in computer science in real-time interactive simulation from Digipen Institute of Technology in Singapore.

Mr. Koa has confirmed that he has obtained the legal advice referred to in Rule 3.09D of the Main Board Listing Rules on 23 January 2025 and has confirmed that he understood his obligations as a Director.

### **Mr. GAO Bo (高博)**

*Executive Director*

Mr. Gao Bo, aged 38, was appointed as an executive Director on 31 March 2023. Mr. Gao has entered into a letter of appointment with the Company for a term of 3 years commencing on 31 March 2023, and he is entitled to a director's fees of SGD12,000 per month.

Mr. Gao has more than 15 years of experience in investment management and telecommunications. Since October 2022, he acted as an investment director of Firerock Capital Pte. Ltd., which is a subsidiary of the Company, and is mainly responsible for group investment decision and management. From January 2017 to September 2022, Mr. Gao worked at Nanshan Group Singapore Co., Pte. Ltd. with his last position as investment manager, where he was mainly engaged in investment business segment development. From June 2015 to January 2017, Mr. Gao worked at Kimberly-Clark Asia-Pacific with his last position as financial planning analyst. From 2011 to 2014, Mr. Gao worked at Huawei International Pte. Ltd. with his last position as core network engineer.

Mr. Gao graduated from Nanyang Technological University in Singapore in June 2010 with a bachelor's degree in electrical and electronic engineering. He obtained a master's degree in business administration from Singapore Management University in January 2016.





## DIRECTORS AND SENIOR MANAGEMENT

### **Ms. WONG Yan (王欣)**

*Executive Director*

Ms. Wong Yan, aged 46, was appointed as an executive Director on 16 June 2023. Ms. Wong has entered into a letter of appointment with the Company for a term of 3 years commencing on 16 June 2023, and she is entitled to a director's fees of HKD30,000 per month.

Ms. Wong has over 19 years of experience in asset management, compliance and corporate finance. Prior to joining the Company, Ms. Wong served as a director of the asset management department of China Huarong Overseas Investment Holdings Co., Limited. From June 2017 to October 2019, Ms. Wong served as the head of the risk management department of China Huarong Overseas Investment Holdings Co., Limited. From March 2006 to June 2017, Ms. Wong served as a co-vice president of the investment banking and corporate finance division of China Everbright Securities International Company Limited.

Ms. Wong obtained a bachelor's degree in international trade from Shanxi University, China and a Postgraduate Diploma in banking and finance from Loughborough University, the United Kingdom.

## INDEPENDENT NON-EXECUTIVE DIRECTORS

### **Mr. TAM Chik Ngai Ambrose (譚植藝)**

*Independent non-executive Director*

Mr. Tam Chik Ngai Ambrose, aged 42, was appointed as an independent non-executive Director on 30 March 2023. Mr. Tam has entered into a letter of appointment with the Company for a term of 3 years commencing on 30 March 2023, and he is entitled to a director's fees of HKD15,000 per month.

Mr. Tam has over 20 years of experience in auditing, accounting and financial reporting. From December 2021 to December 2022, he worked at KC International Holdings Limited with his last position as an accounting general manager, where he was mainly responsible for leading the consolidation team in monitoring the consolidation process and reviewing the annual audit plan. From May 2021 to October 2021, Mr. Tam worked at Noble Bridge Investment Holdings Limited as a senior finance manager. From January 2015 to May 2021, Mr. Tam worked at BDO Limited with his last position as an audit manager. Prior to that, Mr. Tam held assurance and accounting roles at several international accounting firms and in-house.

Mr. Tam graduated from the University of Central England in Birmingham in July 2004 with a bachelor's degree in politics and contemporary governance. He is a member of CPA Australia.



## DIRECTORS AND SENIOR MANAGEMENT

### **Ms. CHOW Woon San Shirley (周媛珊)**

*Independent non-executive Director*

Ms. Chow Woon San Shirley, aged 65, was appointed as an independent non-executive Director on 30 March 2023. Ms. Chow has entered into a letter of appointment with the Company for a term of 3 years commencing on 30 March 2023, and she is entitled to a director's fees of HKD15,000 per month.

Ms. Chow has over 39 years of experience in compliance, investment and asset management and acted as a director of AimHigh Global Solutions Limited and AimHigh Compliance Solutions Limited since January 2020, where she is mainly engaged in the provision of compliance advisory services to licensed corporations registered under the SFO. From April 2017 to April 2018, Ms. Chow served as an independent compliance consultant for Ping An of China Securities (Hong Kong) Company Limited, where she was mainly engaged in corporate compliance advisory. From October 2008 to January 2017, Ms. Chow worked at Ping An of China Asset Management (Hong Kong) Company Limited with her last position as the Head of Legal & Compliance, where she was mainly engaged in legal compliance. From January 2007 to August 2007, Ms. Chow worked at the Canadian Imperial Bank of Commerce (Hong Kong Branch) with her last position as an executive director of the global asset management department and an executive officer licensed by the Securities and Futures Commission (the "SFC") to carry out Type 9 (asset management) regulated activity. From December 1999 to December 2006, Ms. Chow worked at CIBC Global Asset Management (Asia) Limited with her last position as a deputy managing director and a responsible officer licensed by the SFC to carry out Type 9 (asset management) regulated activity. From June 1988 to November 1999, Ms. Chow worked at CEF.TAL Investment Management Limited with her last position as deputy managing director. From April 1985 to June 1988, Ms. Chow worked at Gartmore (HK) Limited with her last position as marketing manager.

Ms. Chow graduated from Simon Fraser University in Canada in June 1985 with a bachelor's degree in economics and finance. She obtained a bachelor's degree (honor) in laws from the University of Wolverhampton in the United Kingdom in July 2007.

### **Mr. LOK Tze Bong (駱子邦)**

*Independent non-executive Director*

Mr. Lok Tze Bong, aged 48, was appointed as an independent non-executive Director on 12 April 2023. Mr. Lok has entered into a letter of appointment with the Company for a term of 3 years commencing on 12 April 2023, and he is entitled to a director's fees of HKD15,000 per month.

Mr. Lok has over 21 years of experience as a solicitor. Since 2014, Mr. Lok has been a guest lecturer at the Department of Law and Business of Hong Kong Shue Yan University, teaching different legal topics and courses to students. Mr. Lok is currently an independent non-executive director of AVIC Joy Holdings (HK) Limited, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (stock code: 260).

Mr. Lok graduated from the City University of Hong Kong with a bachelor's degree in laws and postgraduate certificate in laws. He is qualified to practice law in Hong Kong, England and Wales.



## DIRECTORS AND SENIOR MANAGEMENT

### SENIOR MANAGEMENT

Our senior management is responsible for the day-to-day management of our Company's business.

#### **Mr. ZHOU Zhiwei (周志為)**

*Executive Director and chief executive officer*

Mr. Zhou Zhiwei, aged 38, was appointed as an executive Director and the chief executive officer on 31 March 2023. His biographical details are set out above under the section headed "Directors and Senior Management – Directors" to this annual report.

### JOINT COMPANY SECRETARIES

Ms. Li Zijuan and Mr. Chu Hon Leung are our joint company secretaries.

Ms. Li Zijuan, aged 32, holds a bachelor's degree in Literature and Management from Wuhan Institute of Technology and a certificate in the Advanced Business Administration Seminar for Shenzhen Private and Small and Medium Enterprises (深圳市民營及中小企業高級工商管理研修班證書) from Tsinghua Shenzhen International Graduate School. She has served the Company for more than 9 years and is currently the assistant to the Chief Financial Officer of the Company, who is mainly responsible for the legal, company secretarial and compliance affairs of the Company. Since joining the Company in May 2015, Ms. Li had been actively involved in the Company's listing and transfer of listing from GEM to the Main Board of the Stock Exchange in 2016 and 2019 respectively, and has been assisting the Board in its operation and daily duties, performing the Company's compliance and registration and filing obligations, and preparing information disclosure documents including the annual reports, interim reports, announcements and circulars of the Company.

From July 2014 to April 2015, Ms. Li served as a risk control specialist of Shenzhen MTC Co., Ltd., the shares of which are listed on the Shenzhen Stock Exchange (stock code: SZ002429).

Mr. Chu Hon Leung, aged 42, has been a practicing solicitor in Hong Kong since 2009 and is currently a partner of Li & Partners. Mr. Chu had been in private practice as a solicitor with local and international law firms in Hong Kong and was an in-house counsel with a leading PRC asset management company. Mr. Chu obtained his bachelor degree in commerce from Macquarie University in Sydney, Australia, his graduate diploma in law from The College of Law in London, United Kingdom and graduated from the City University of Hong Kong with the postgraduate certificate in laws.





## DIRECTORS' REPORT

The Directors are pleased to present this annual report and the audited consolidated financial statements of the Group for the year ended 31 December 2024.

### PRINCIPAL ACTIVITIES

The Group is principally engaged in the development of browser, mobile games (including game design, programming and graphics) and computer software related to game operation ("Game Development"), on the basis of which the Group license its self-developed browser and mobile games to licensed operators around the world, assist the third parties in promoting game-related business and provide intellectual property rights licensing services to enterprises ("Game Publishing"). The Group also self-operate our self-developed game products in overseas markets.

For the principal activities and other details of the subsidiaries of the Company, please refer to Note 32 to the consolidated financial statements.

### RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2024 are set out in the financial statements on page 74 of this annual report.

The Directors did not recommend any payment of dividend for the reporting period.

### BUSINESS REVIEW

Details of the Group's business review (including discussion of the Group's performance during the year, risks factors faced and risk mitigation measures, details of the Group's compliance with the relevant laws and regulations which are of a material effect and the future business development of the Group, and further discussion and review on the environmental policies and performance and relationship with employees, suppliers and customers of the Group as required by Schedule 5 to the Companies Ordinance (Cap. 622 of the Laws of Hong Kong)) are set out in the sections headed "Management Discuss and Analysis" and "Environmental, Social and Governance Report" in this annual report. Those review and discussion constitute part of the Directors' Report.

### SHARE CAPITAL

For the year ended 31 December 2024, details of the movements in share capital of the Company during the Year are set out in the Note 26 to the consolidated financial statements.

## USE OF PROCEEDS FROM PLACING

The Company's shares were listed on GEM of the Stock Exchange on 18 February 2016 and net proceeds from the Placing were approximately HKD28.9 million. Listing of the Shares of the Company has been transferred to the Main Board from GEM on 27 June 2019. For the year ended 31 December 2024, the Group has spent approximately HKD28.9 million, in aggregate, of the proceeds from the Placing (approximately HKD7.2 million on development of new games on mobile devices platform, approximately HKD7.2 million on development of new browser games, approximately HKD2.9 million on the continual optimisation of our existing games on various platforms, approximately HKD2.9 million on enhancing our game development capabilities, approximately HKD3.6 million on the acquisition/investment of game developers and related companies, approximately HKD1.5 million for working capital and other general corporate uses and approximately HKD3.6 million for seeking opportunities to obtain/acquire the adaptation rights of appropriate source materials).

	Original allocation <i>HKD'm</i>	Original allocation <i>Percentage</i>	Used amount as at 31 December 2024 <i>HKD'm</i>	Used amount as at 31 December 2024 <i>Percentage</i>
Continual optimisation of existing games on various platforms	2.9	10.0%	2.9	10.0%
Development of new game series — browser games	7.2	25.0%	7.2	25.0%
Development of new game series — mobile games	7.2	25.0%	7.2	25.0%
Seeking opportunities to obtain/acquire the adaptation rights of appropriate source materials	3.6	12.5%	3.6	12.5%
Acquisition of/investment in game developers and related companies	3.6	12.5%	3.6	12.5%
Enhancement and diversification of game development capabilities	2.9	10.0%	2.9	10.0%
Working capital and other general corporate purposes	1.5	5.0%	1.5	5.0%
<b>Total</b>	<b>28.9</b>	<b>100.0%</b>	<b>28.9</b>	<b>100.0%</b>

As at 31 December 2024, all proceeds from the Placing were utilised and applied in the manner consistent with the original allocations.

## RESERVES

For the year ended 31 December 2024, details of the changes in the reserves of the Group are set out in the consolidated statement of changes in equity and Note 27 to the consolidated financial statements. As at 31 December 2024, the distributable reserves of the Company approximately amounted to HKD12.9 million.



## DIRECTORS' REPORT

### MAJOR CUSTOMERS AND SUPPLIERS

Our ultimate customers are individual game players. Due to our large customer base, its five highest paying players in aggregate contributed to substantially less than 30% of the total sales proceeds received during the Year ended 31 December 2024.

Our major suppliers include companies which provided outsourced services such as part of the graphic design and audio production of sound effects, background music and game testing of our games in the game research and development activities and also in their subsequent updates and enhancements as well as server data centre and bandwidth service providers. For the year ended 31 December 2024, the five largest suppliers in aggregate contributed to substantially less than 30% of the total purchases.

None of the Directors of the Company or any of their associates or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's share capital) had any beneficial interest in the Group's five largest customers or suppliers.

### FINANCIAL HIGHLIGHTS

A summary of the published results and of the assets and liabilities of the Group for the last four financial years, as extracted from the audited financial statements, was set out on page 5 in the annual report. The summary does not form part of the audited consolidated financial statements of the Group.

### BUSINESS REVIEW AND RISK FACTORS FACED BY THE COMPANY AND THE RESPONSE STRATEGIES

Details of the business review and risk factors faced by the Company as well as the response strategies are set out in the "Management Discussion and Analysis" section of this report, and form part of the "Directors' Report".

### CHARITY DONATION

For the year ended 31 December 2024, the Group made HKD0.7 million of charity donation and other donations.

### PROPERTY, PLANT AND EQUIPMENT

Details of the changes in property, plant and equipment during the Year ended 31 December 2024 are set out in Note 15 to the consolidated financial statements.

### BORROWING

As at 31 December 2024, the Group did not have any bank or other borrowings.

### CONTINGENT LIABILITIES

As at 31 December 2024, the Group did not have any material contingent liabilities.



## SUFFICIENT PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, there is sufficient public float of the Company's securities as required under the Main Board Listing Rules for the reporting period and up to the date of this report.

## PRE-EMPTIVE RIGHTS

No pre-emptive rights exist under the Articles of Association or the laws of the Cayman Islands, and no restrictions exist which oblige the Company to offer new shares on a pro rata basis to its existing Shareholders.

## DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service contract with the Company, each of the independent non-executive Directors has signed a letter of appointment with the Company, and is subject to termination by either party giving not less than three months' written notice. Such appointments are subject to retirement by rotation provisions in the Articles of Association.

At the annual general meeting held on 24 May 2024, certain directors were re-appointed, appointed and re-designated by the Company.

No Director proposed for re-election at the forthcoming annual general meeting has a non-expired service contract with the Company or any subsidiaries, which is not determinable by the Company or any subsidiaries within one year without payment of compensation (other than statutory compensation).

## CONFIRMATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS' INDEPENDENCE

According to the Rule 3.13 of Main Board Listing Rules, the Company has received a confirmation from each of the independent non-executive Directors in respect of their independence. The Company has reviewed the independence of aforementioned Directors. We consider that all independent non-executive Directors are independent.

## INTERESTS AND SHORT POSITIONS OF DIRECTORS AND THE CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES OR DEBENTURES

As at 31 December 2024, none of the Directors or chief executive of our Company has any interest or short position in the Shares, underlying shares or debentures of our Company or any of its associated corporations (within the meaning of Part XV of the SFO), which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he will be taken or deemed to have under the SFO), or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which will be required, pursuant to Appendix C3 of the Main Board Listing Rules relating to securities transactions by Directors to be notified to our Company and the Stock Exchange.

## DIRECTORS' REPORT

### INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN THE SHARES OR UNDERLYING SHARES

So far as is known to the Directors or chief executive of the Company, as at 31 December 2024, the following persons 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 and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name	Capacity	Number of Shares <sup>1</sup>	Percentage of shareholding
Sulfulon International Limited	Beneficial owner	1,310,000,000	34.11%
Mr. Zhang Yan <sup>2</sup>	Interest of controlled corporation	1,566,800,000	40.80%
Ms. Zheng Xin <sup>3</sup>	Interest of spouse	1,566,800,000	40.80%

*Notes:*

1. All interests stated are long positions.
2. Mr. Zhang Yan is interested in approximately 40.80% of the total issued shares of the Company, i.e. 1,566,800,000 Shares, including:
  - i. 76,800,000 shares owned by beneficial owners, accounting for approximately 2.00% of the Company's issued share capital;
  - ii. 1,310,000,000 shares, accounting for approximately 34.11% of the Company's share capital. Mr. Zhang Yan is interested in the entire issued share capital of Sulfulon International Limited and he is therefore deemed to be interested in the Shares held by Sulfulon International Limited by virtue of the SFO;
  - iii. 180,000,000 Shares, representing approximately 4.69% of the share capital of the Company. Mr. Zhang Yan is interested in the entire issued share capital of Infinities Investment Pte. Ltd., which is wholly-owned by Infinities Super Holding Limited. Infinities Super Holding Limited is a company incorporated in the Cayman Islands with limited liability and is wholly-owned by Mr. Zhang Yan. Therefore, Mr. Zhang Yan is deemed to be interested in the Shares held by Infinities Investment Pte. Ltd. by virtue of the SFO.
3. Ms. Zheng Xin is the spouse of Mr. Zhang Yan and she is therefore deemed to be interested in the Shares held by Mr. Zhang Yan by virtue of the SFO.

### REPURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries repurchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2024.

## DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

None of the Directors, the controlling shareholders, nor their respective associates had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, or any of its subsidiaries was a party during the year ended 31 December 2024. There were no contracts of significance between the Group and any of the controlling shareholders or their respective associates for the year ended 31 December 2024.

## SHARE OPTION SCHEME

The following is a summary of the principal terms of the share option scheme ("Share Option Scheme") conditionally adopted by our Company on 24 January 2016.

The Share Option Scheme is a share incentive scheme and is established to recognise and acknowledge the contributions the eligible participants have had or may have made to the Group. The scheme is valid and effective for a period of ten years commencing from the date of adoption of the scheme.

Eligible participants of the Share Option Scheme include:

- (i) any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries;
- (ii) any Directors (including non-executive Directors and independent non executive Directors) of the Company or any of its subsidiaries;
- (iii) any advisers, consultants, suppliers, customers and agents to the Company or any of its subsidiaries; and
- (iv) such other persons who, in the sole opinion of the Board, will contribute or have contributed to the Group, the assessment criteria of which are:
  - (aa) contribution to the development and performance of the Group;
  - (bb) quality of work performed for the Group;
  - (cc) initiative and commitment in performing his/her duties; and
  - (dd) length of service or contribution to the Group.

As at 31 December 2024, the total number of Shares available for issue under the Share Option Scheme is 192,000,000 Shares, representing 5% of the issued share capital of the Company. The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of the Company (including exercised, outstanding options and Shares which were the subject of options which have been granted and accepted under the Share Option Scheme or any other scheme of the Company but subsequently cancelled (the "Cancelled Shares")) to each eligible participant in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue as at the date of grant. Any further grant of options in excess of this 1% limit shall be subject to the issue of a circular and the approval of the Shareholders in general meeting.





## DIRECTORS' REPORT

An option may be exercised in accordance with the terms of the Share Option Scheme at any time after the date upon which the option is deemed to be granted and accepted and prior to the expiry of ten years from that date. The period during which an option may be exercised and the vesting period of an option will be determined by the Board in its absolute discretion, save that no option may be exercised more than ten years after it has been granted.

Upon acceptance of an option to subscribe for shares granted pursuant to the scheme (the "Option"), the eligible participant shall pay HKD1.00 to the Company as consideration for the grant. The subscription price for the Shares subject to Options will be a price determined by the Board and notified to each participant and shall be the highest of:

- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the Options, which must be a day on which the Stock Exchange is open for the business of dealing in securities;
- (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the 5 trading days immediately preceding the date of grant of the Options; and
- (iii) the nominal value of a Share.

No share option has been granted as at the date of this report and since the adoption of the scheme.

## SHARE AWARD SCHEME

The Company adopted a share award scheme (the "Share Award Scheme") on 12 September 2018 to provide incentive to its employees, and to recognise the contribution made by long-serving employees with outstanding performance. Persons eligible to participate in the Share Award Scheme are all employees of the Group and there was no maximum entitlement of each participant under the Share Award Scheme. Shares under the Share Award Scheme were offered at nil consideration and no amount were payable on application or acceptance of the award.

On 12 September 2018, 8,496,000 Shares (after taking into account of the effect of the Company's share subdivisions on 4 May 2021 and 19 August 2020) were granted to 47 employees of the Group, being the total number of Shares available for issue under the Share Award Scheme, and no further grants have been made since then. The granted Shares are unconditionally vested to the participants after their 3-year employment with the Group for the period from 12 September 2018 to 11 September 2021 and awards representing 1,128,000 Shares are cancelled as some of the participants' employment with the Group ended before 11 September 2021.

The Share Award Scheme expired on 11 September 2021. For the year ended 31 December 2024, no awards were granted, vested, lapsed or cancelled, and there were no outstanding or unvested awards.

## RELATED PARTY TRANSACTIONS

Details of the related party transactions undertaken by the Group are set out in note 29 to the consolidated financial statements.

## CONNECTED TRANSACTIONS

The Company has not entered into any connected transactions as defined under the Main Board Listing Rules for the year ended 31 December 2024. For the avoidance of doubt, none of the related party transactions undertaken by the Group during the year ended 31 December 2024 constituted connected transaction of the Company under the Main Board Listing Rules.

## NON-COMPETITION UNDERTAKING OF DIRECTORS

Each of the executive Directors has undertaken that, among other things, shall not, and shall procure that his/its close associates shall not, among other things:

- (a) directly or indirectly, either on their own account, in conjunction with, on behalf of, or through any person, firm or company, among other things, carry on, participate or be interested, engaged or otherwise involved in or acquire or hold (in each case whether as a shareholder, partner, agent or otherwise and whether for profit, reward or otherwise) (i) the current and potential business engaged or to be engaged by our Group, including but not limited to the development of electronic/online games and/or (ii) any other new business that our Group may undertake from time to time after the Listing (collectively the "Restricted Business") and where they become aware of such engagement of the Restricted Business they shall notify our Company forthwith;
- (b) solicit or procure any of the suppliers and/or the customers of our Group from time to time to terminate their business relationships or otherwise reduce the amount of business with our Group;
- (c) solicit or procure any of the directors, senior management or other employees of our Group from time to time to resign or otherwise cease providing services to our Group; and/or
- (d) unless with the prior written consent of our Company, disclose any confidential information of our Group to any other third parties, including but not limited to, customers list and supplier list.

Each of the executive Directors confirmed that he/she has fulfilled the above non-competition undertakings from his/her appointment to the year ended 31 December 2024.

## PERMITTED INDEMNITY PROVISION

Appropriate Directors' liability insurance cover has been arranged by the Company to indemnify the Directors for liabilities arising out of corporate activities. The coverage and the sum insured under the policy are reviewed annually.

## COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has applied the code provisions as set out in the Corporate Governance Code (the "Code") set out in Appendix C1 of the Main Board Listing Rules. Save as disclosed in this report, the Company has complied with all the code provisions set out in the Code for the year ended 31 December 2024 and up to the date of this report.



## DIRECTORS' REPORT

### MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

### DIRECTORS' INTEREST IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No transaction, arrangement or contract of significance in relation to the Group's business in which the Company, any of its subsidiaries, fellow subsidiaries or its parent company was a party and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted during or at the end of the year.

### AUDITOR

As affected by the matters mentioned in the announcements of the Company dated 18 March 2022 and 29 August 2022, in particular, the implementation of COVID-19 outbreak prevention and control quarantine measures which has posed difficulties for the financial reporting and consolidation process of the Company's operations in the PRC, the Company has not been able to reach a consensus with BDO Limited ("BDO") on finalising a mutually acceptable schedule for commencing the audit work in relation to the consolidated financial statements of the Group for the year ended 31 December 2021. BDO has tendered its resignation as auditor of the Company with effect from 11 November 2022. BDO has confirmed in its letter of resignation that, save as disclosed above, there were no other matters that need to be brought to the attention of the Shareholders. In accordance with the Articles of Association and with the recommendation of the audit committee, it was resolved to appoint Crowe (HK) CPA Limited ("Crowe") as the new auditor of the Company to fill the casual vacancy following the resignation of BDO. On 13 April 2023, Crowe has completed the audit engagement acceptance procedures for its official appointment to duly become the auditor of the Company.

The consolidated financial statements for the year ended 31 December 2024 have been audited by Crowe (HK) CPA Limited, who will retire at the forthcoming annual general meeting of the Company and, being eligible, offer themselves for re-appointment.

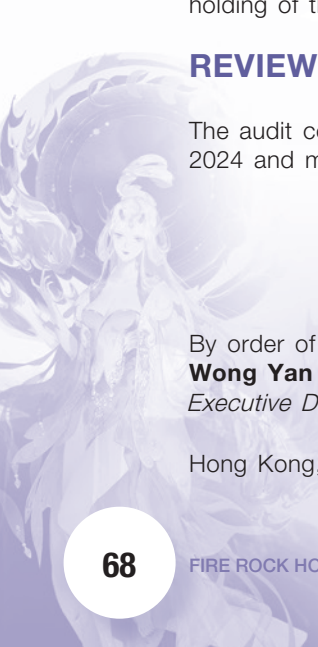
A resolution will be submitted to the forthcoming annual general meeting to reappoint Crowe (HK) CPA Limited as auditor of the Company until the conclusion of the next annual general meeting thereafter.

### TAX RELIEF AND EXEMPTION

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

### REVIEW BY AUDIT COMMITTEE

The audit committee has reviewed the audited annual results of the Company for the year ended 31 December 2024 and made recommendations and advice.



By order of the Board  
**Wong Yan**  
*Executive Director*

Hong Kong, 26 March 2025



# INDEPENDENT AUDITOR'S REPORT



國富浩華（香港）會計師事務所有限公司  
**Crowe (HK) CPA Limited**

香港 銅鑼灣 禮頓道77號 禮頓中心9樓  
9/F Leighton Centre,  
77 Leighton Road,  
Causeway Bay, Hong Kong

**To the Shareholders of Fire Rock Holdings Limited**  
*(incorporated in the Cayman Islands with limited liability)*

## OPINION

We have audited the consolidated financial statements of Fire Rock Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 74 to 132, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

## BASIS FOR OPINION

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

## KEY AUDIT MATTERS

### *Capitalisation and impairment assessment of development costs*

Refer to Note 16 to the consolidated financial statements and Group’s critical accounting judgements and key sources of estimation uncertainty in relation to the capitalisation and impairment assessment of development costs set out in Note 5(ii), the Group capitalised costs of developing mobile games of approximately HKD23,538,000 as intangible assets as at 31 December 2024. The specific criteria that need to be met for capitalisation of development costs involves significant management judgements and estimates.

Management has performed an impairment review in accordance with HKAS 36 “Impairment of Assets”. The recoverable amounts are determined based on value in use calculations, which involved significant assumptions and judgements made by management concerning the estimated future cash flows and the discount rate applied to future cash flow forecast.

## INDEPENDENT AUDITOR'S REPORT

Our response:

Our procedures in relation to the capitalisation and impairment assessment of development costs included:

- Tested the controls designed and implemented by the Group over its process to capitalise development costs;
- Evaluated the nature and reasonableness of development costs incurred that are capitalised into intangible assets;
- Discussed with senior management to understand the cash flow projection and key assumptions;
- Assessed the reasonableness of key assumptions for:
  - growth rate based on our knowledge of the business and industry and by considering the historical performance achieved;
  - discount rate used in the calculations based on the market data and research;
- Checked the mathematical accuracy of the value in use calculations; and
- Reviewed the sensitivity analysis prepared by the management including assessing the effect of a reasonably possible change in discount rate.

### *Valuation of Level 3 financial instruments*

As at 31 December 2024, the Group had 15.63% equity interest Summer Mountain Limited and its subsidiaries ("Summer Mountain Group") of approximately HKD14,493,000, which is measured at fair value through profit or loss and classified as Level 3 financial assets under the fair value hierarchy ("Level 3 Financial Assets"), representing approximately 10.8% of the Group's total assets.

Management selected and adopted specific valuation models that required a considerable number of inputs and judgements. Where observable data is not readily available, estimates of inputs need to be developed by management which will involve significant judgements.

Our response:

We performed the following audit procedures over valuation of Level 3 Financial Assets:

- obtained an understanding of the management's internal control and assessment process of valuation of Level 3 Financial Assets and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of subjectivity of the significant management judgements and assumptions applied;
- evaluated and tested the key controls in relation to the management's review on the valuation of Level 3 Financial Assets;
- assessed the competency, capabilities and objectivity of the external valuation specialists engaged by the management;
- inspected the relevant terms and conditions of the underlying investment agreements to evaluate the impact on valuation; and



## INDEPENDENT AUDITOR'S REPORT

- with the assistance of our valuation specialists, we performed independent assessments of the Group's valuation of Level 3 Financial Assets. Our independent valuation assessments included evaluating the appropriateness of valuation models, assessing the reasonableness of the significant management judgements and assumptions and the key inputs used in the valuation models with reference to industry practice and relevant available market data.

### OTHER INFORMATION

The directors of the Company (the "Directors") are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.



## INDEPENDENT AUDITOR'S REPORT

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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



## INDEPENDENT AUDITOR'S REPORT

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

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

**Crowe (HK) CPA Limited**  
Certified Public Accountants

Hong Kong, 26 March 2025

**Chung Wai Chuen, Alfred**  
Practising Certificate Number: P05444

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	2024 HKD'000	2023 HKD'000
<b>Revenue</b>	7	<b>140,591</b>	134,927
Direct costs		<b>(27,826)</b>	(27,388)
Gross profit		<b>112,765</b>	107,539
Other income	7	<b>321</b>	19,728
Surrender of promissory notes	24	<b>—</b>	574,716
Changes in fair values of financial assets at fair value through profit or loss	18	<b>(891)</b>	(2,255)
Research costs		<b>(9,037)</b>	(19,780)
Distribution costs		<b>(40,692)</b>	(55,471)
Administrative expenses		<b>(43,339)</b>	(31,670)
Loss on disposals of subsidiaries	30	<b>—</b>	(2,880)
Finance costs	8	<b>(101)</b>	(9,138)
Profit before income tax	9	<b>19,026</b>	580,789
Income tax expense	10	<b>(17,173)</b>	(8,271)
<b>Profit for the year</b>		<b>1,853</b>	572,518
Other comprehensive (loss)/income <i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		<b>(1,903)</b>	1,446
Reclassification of exchange difference upon disposal of a subsidiary		<b>—</b>	(179)
<b>Other comprehensive (loss)/income for the year</b>		<b>(1,903)</b>	1,267
<b>Total comprehensive (loss)/income for the year</b>		<b>(50)</b>	573,785
<b>(Loss)/profit attributable to:</b>			
Owners of the Company		<b>(17,065)</b>	559,911
Non-controlling interests		<b>18,918</b>	12,607
		<b>1,853</b>	572,518
<b>Total comprehensive (loss)/income attributable to:</b>			
Owners of the Company		<b>(18,773)</b>	561,081
Non-controlling interests		<b>18,723</b>	12,704
		<b>(50)</b>	573,785
		<b>HKD cents</b>	<b>HKD cents</b>
<b>(Loss)/earnings per share</b>			
Basic and diluted	12	<b>(0.4)</b>	14.6

The notes on pages 78 to 132 form part of these consolidated financial statements.



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	2024 HKD'000	2023 HKD'000
<b>Non-current assets</b>			
Property, plant and equipment	15	3,549	5,077
Intangible assets	16	23,538	15,350
Right-of-use assets	17	2,022	1,172
Financial assets at fair value through profit or loss	18	26,333	27,511
Deposits	19	138	84
Deferred tax assets	25	2,107	2,170
		<b>57,687</b>	51,364
<b>Current assets</b>			
Trade receivables	20	18,218	20,645
Prepayment, deposits and other receivables	20	5,127	3,372
Cash and cash equivalents	21	53,644	85,492
		<b>76,989</b>	109,509
<b>Current liabilities</b>			
Lease liabilities	17	1,372	708
Other payables and accruals	22	10,323	12,663
Deferred revenue	23	334	11
Promissory notes	24	—	—
Tax payables		7,836	4,923
		<b>19,865</b>	18,305
<b>Net current assets</b>		<b>57,124</b>	91,204
<b>Total assets less current liabilities</b>		<b>114,811</b>	142,568
<b>Non-current liabilities</b>			
Lease liabilities	17	622	507
Deferred tax liabilities	25	195	1,740
		<b>817</b>	2,247
<b>Net assets</b>		<b>113,994</b>	140,321
<b>Equity</b>			
Share capital	26	3,200	3,200
Reserves	27	109,099	127,872
Total equity attributable to owners of the Company		<b>112,299</b>	131,072
Non-controlling interests		<b>1,695</b>	9,249
<b>Total equity</b>		<b>113,994</b>	140,321

The notes on pages 78 to 132 form part of these consolidated financial statements.

Approved and authorised for issue by the board of directors on 26 March 2025.

**Gao Bo**  
Director

**Wong Yan**  
Director

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Attributable to owners of the Company									Non-controlling interests	Total equity/(deficit)
	Share capital	Share premium*	Capital reserve*	Merger reserve*	Statutory reserve*	Share-based payment reserve*	Foreign exchange reserve*	Retained profits/(accumulated losses)*	Total		
	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000
At 1 January 2023	3,200	41,782	17,220	13,800	379	3,310	535	(510,235)	(430,009)	8,755	(421,254)
Profit for the year	—	—	—	—	—	—	—	559,911	559,911	12,607	572,518
Other comprehensive income for the year:											
— Exchange differences on translation of foreign operations	—	—	—	—	—	—	1,349	—	1,349	97	1,446
— Exchange difference reclassified to profit or loss upon disposal of a subsidiary (Note 30(a))	—	—	—	—	—	—	(179)	—	(179)	—	(179)
Total comprehensive income for the year	—	—	—	—	—	—	1,170	559,911	561,081	12,704	573,785
Dividends paid to non-controlling interests	—	—	—	—	—	—	—	—	—	(15,251)	(15,251)
Disposal of a subsidiary (Note 30(a))	—	—	—	—	—	—	—	—	—	3,041	3,041
At 31 December 2023	3,200	41,782	17,220	13,800	379	3,310	1,705	49,676	131,072	9,249	140,321
At 1 January 2024	3,200	41,782	17,220	13,800	379	3,310	1,705	49,676	131,072	9,249	140,321
(Loss)/profit for the year	—	—	—	—	—	—	—	(17,065)	(17,065)	18,918	1,853
Other comprehensive loss for the year:											
— Exchange differences on translation of foreign operations	—	—	—	—	—	—	(1,708)	—	(1,708)	(195)	(1,903)
Total comprehensive (loss)/income for the year	—	—	—	—	—	—	(1,708)	(17,065)	(18,773)	18,723	(50)
Appropriation	—	—	—	—	34	—	—	(34)	—	—	—
Dividends paid to non-controlling interests	—	—	—	—	—	—	—	—	—	(26,277)	(26,277)
At 31 December 2024	3,200	41,782	17,220	13,800	413	3,310	(3)	32,577	112,299	1,695	113,994

\* The aggregate balances of the reserve amounts of approximately HKD109,099,000 and approximately HKD127,872,000 are included as reserves as at 31 December 2024 and 2023 respectively in the consolidated statement of financial position.

The notes on pages 78 to 132 form part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	Notes	2024 HKD'000	2023 HKD'000
<b>Cash flows from operating activities</b>			
Profit before income tax		19,026	580,789
Adjustments for:			
Depreciation of property, plant and equipment		1,933	1,192
Depreciation of right-of-use assets		1,177	1,072
Gain on modification of lease		(16)	—
Interest income		(102)	(146)
Interest expenses on lease liabilities		101	70
Interest expenses on promissory notes		—	8,231
Imputed interest expenses on promissory notes		—	837
Loss on disposals of subsidiaries		—	2,880
Changes in fair values of financial assets at fair value through profit or loss		891	2,255
Surrender of promissory notes		—	(574,716)
Expected credit loss on other receivables		—	238
Exchange difference		287	(18,291)
Operating profit before working capital changes		23,297	4,411
Decrease/(increase) in trade receivables		2,511	(10,542)
Increase in prepayments, deposits and other receivables		(1,837)	(833)
Decrease in other payables and accruals		(2,316)	(5,777)
Increase in deferred revenue		311	4
Cash generated from/(used in) operating activities		21,966	(12,737)
Income tax paid		(15,911)	(10,985)
Net cash generated from/(used in) operating activities		6,055	(23,722)
<b>Cash flows from investing activities</b>			
Interest received		102	146
Additions of intangible assets		(8,788)	(11,894)
Purchases of property, plant and equipment		(457)	(3,009)
Deposits refunded for potential strategic acquisitions		—	19,500
Net cash outflow from disposals of subsidiaries	30	—	(227)
Net cash (used in)/generated from investing activities		(9,143)	4,516
<b>Cash flows from financing activities</b>			
Dividends paid to non-controlling interests of a subsidiary		(26,277)	(15,251)
Repayments of principal portion lease liabilities	17	(1,233)	(1,000)
Repayment of interest portion of lease liabilities	17	(101)	(70)
Net cash used in financing activities		(27,611)	(16,321)
<b>Net decrease in cash and cash equivalents</b>		(30,699)	(35,527)
<b>Cash and cash equivalents at beginning of the year</b>		85,492	119,544
<b>Effect of foreign exchange rate changes</b>		(1,149)	1,475
<b>Cash and cash equivalents at end of the year</b>		53,644	85,492
<b>Analysis of cash and cash equivalents</b>			
Cash at banks and on hand		53,644	85,492

The notes on pages 78 to 132 form part of these consolidated financial statements.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

## 1. GENERAL INFORMATION

Fire Rock Holdings Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability on 3 November 2014. The address of its registered office is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. Its principal place of business is located 20 Science Park Road, #02-25 Teletech Park, Singapore 117674.

The Company is an investment holding company. The Company and its subsidiaries (collectively the “Group”) are principally engaged in the development of browser, mobile games (including game design, programming and graphics) and computer software related to game operation, on the basis of which licensing self-developed browser and mobile games to licensed operators around the world (“Game Development”), assist the third parties in promoting game-related business and provide intellectual property rights licensing services to enterprises (“Game Publishing”). The Group also self-operates self-developed game products in overseas markets.

The consolidated financial statements for the year ended 31 December 2024 were approved and authorised for issue by the board of directors on 26 March 2025.

## 2. ADOPTION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

### *(a) Adoption of amendments to HKFRS Accounting Standards — effective 1 January 2024*

The Group has adopted the following amendments to HKFRS Accounting Standards, (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), for the first time for the current year’s consolidated financial statements:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 and Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback

Except as described below, the application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial position and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

## 2. ADOPTION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (Continued)

### (a) *Adoption of amendments to HKFRS Accounting Standards — effective 1 January 2024* (Continued)

#### Amendments to HKAS 1

The amendments defined that current liabilities do not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments do not affect its classification as current or non-current.

Also, the classification of long-term loan arrangements with covenants by specifying that covenants to be complied with after the reporting date do not affect the classification of loan arrangements as current or non-current at the reporting date.

The related Hong Kong Interpretation 5 is revised as a consequence of Amendments to HKAS 1 Classification of Liabilities as Current or Non-current issued in August 2020, to align the corresponding wordings with no change in conclusion. The Amendments to HKAS 1 clarify how to classify debt and other liabilities as current or non-current but do not change the existing requirements. In particular, the Amendments to HKAS 1 clarify that an entity's right to defer settlement must exist at the end of the reporting period and delete the word 'unconditional' from the classification principle.

The application of the amendments does not have any significant impact on the Group's consolidated financial statements.

#### Amendments to HKAS 7 and HKFRS 7

The amendments indicated that the entity shall disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows and on the entity's exposure to liquidity risk.

The application of the amendments does not have any significant impact on the Group's consolidated financial statements.

#### Amendments to HKFRS 16

The amendments add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements of HKFRS 15 Revenue from Contracts with Customers to be accounted for as a sale. The amendments require a seller-lessee to determine "lease payments" or "revised lease payments" such that the seller-lessee would not recognise a gain or loss that relates to the right of use retained by the seller-lessee. The amendments also clarify that applying the requirements does not prevent the seller-lessee from recognising in profit or loss any gain or loss relating to subsequent partial or full termination of a lease.

The application of the amendments does not have any significant impact on the Group's consolidated financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

### 2. ADOPTION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (Continued)

#### (b) *New and amendments to HKFRSs that have been issued but are not yet effective*

The Group has not applied the following new and amendments to HKFRSs, that have been issued but are not yet effective, in these consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability <sup>1</sup>
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments (amendments) <sup>2</sup>
Amendments to HKFRS 9 and HKFRS 7	Contract Referencing Nature-dependent Electricity <sup>2</sup>
Annual Improvements to HKFRS Accounting Standards 2024	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 <sup>2</sup>
HKFRS 18 and consequential amendments to other HKFRSs	Presentation and Disclosure in Financial Statements <sup>3</sup>
HKFRS 19	Subsidiaries without Public Accountability: Disclosures <sup>3</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2025

<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

<sup>4</sup> Effective for annual periods beginning on or after a date to be determined

The directors of the Company anticipate that the application of these new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future. The Group will further assess whether application of the amendments will have an impact on the classification of the Group's financial statements in the future. The impacts on application, if material, will be disclosed in the Group's consolidated financial statements.

### 3. BASIS OF PREPARATION

#### (a) *Statement of compliance*

The consolidated financial statements have been prepared in accordance with HKFRSs and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

#### (b) *Basis of measurement*

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the material accounting policy information set out in Note 4.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.



### 3. BASIS OF PREPARATION (Continued)

#### *(b) Basis of measurement (Continued)*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

### 4. MATERIAL ACCOUNTING POLICY INFORMATION

#### *(a) Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

#### *(b) Subsidiaries and non-controlling interests*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### *(b) Subsidiaries and non-controlling interests (Continued)*

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position depending on the nature of the liability.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses.

#### *(c) Property, plant and equipment*

Property, plant and equipment for own use are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of an item of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as an expense in profit or loss during the financial period in which they are incurred.

#### 4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

##### (c) *Property, plant and equipment (Continued)*

Property, plant and equipment are depreciated so as to write off their cost net of expected residual value over their estimated useful lives on a straight-line basis. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The useful lives are as follows:

Office equipment	1 to 5 years
Furniture and fixtures	5 years
Leasehold improvement	Over the lease term
Motor vehicles	5 years

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount (Note 4(l)).

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognised in profit or loss on disposal.

##### (d) *Intangible assets*

Costs associated with research activities are expensed in profit or loss as incurred. Costs that are directly attributable to development activities (relating to the design and testing of new or improved products controlled by the Group) are recognised as intangible assets provided that they meet the following recognition requirements:

- (1) demonstration of technical feasibility of completing the prospective product for internal use or sale;
- (2) there is intention to complete the intangible asset and use or sell it;
- (3) the Group's ability to use or sell the intangible asset is demonstrated;
- (4) how the intangible asset will generate future economic benefits through internal use or sale;
- (5) sufficient technical, financial and other resources are available for completion and to use or sell the intangible asset; and
- (6) the expenditure attributable to the intangible asset during its development can be reliably measured.

Development expenditure not satisfying the above criteria and expenditure on the research phase of the projects are recognised in profit or loss as incurred.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, if any, and is generally recognised in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

— Capitalised development costs	3 years
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Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### (e) *Leasing*

All leases are required to be capitalised in the statement of financial position as right-of-use assets and lease liabilities, but accounting policy choices exist for an entity to choose not to capitalise (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value. The Group has elected not to recognise right-of-use assets and lease liabilities for which at the commencement date have a lease term of 12 months or less. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

#### (i) **Right-of-use asset**

The right-of-use asset should be recognised at cost and would comprise: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee; and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease. The Group measures the right-of-use assets applying a cost model. Under cost model, the right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability.

#### (ii) **Lease liability**

The lease liability is recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate.

The following payments for the right-to-use the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments: (i) fixed payments less any lease incentives receivable; (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at commencement date; (iii) amounts expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent to the commencement date, the Group measures the lease liability by: (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, e.g., a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in-substance fixed lease payments or a change in assessment to purchase the underlying asset.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### (f) *Financial instruments*

#### (i) **Financial assets**

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

#### *Amortised cost*

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

#### *Fair value through profit or loss*

Financial assets that do not meet the criteria for being measured at amortised cost or fair value through other comprehensive income or designated as fair value through other comprehensive income are measured at fair value through profit or loss.

Financial assets at fair value through profit or loss are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the “changes in fair value of financial assets at fair value through profit or loss” line item. Dividend income and interest income are included in other income, unless the dividends and/or interests clearly represent a recovery of part of the cost of the investment.

#### (ii) **Impairment loss on financial assets**

The Group has elected to measure loss allowances for trade receivables using the simplified approach in HKFRS 9 “Financial Instruments” (“HKFRS 9”) and has calculated expected credit losses (“ECLs”) based on lifetime ECLs. The Group has established a provision matrix that is based on the Group’s historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other debt financial assets, the ECLs are based on the 12-months ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### (f) *Financial instruments (Continued)*

##### (ii) **Impairment loss on financial assets (Continued)**

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be credit-impaired or a default event occur when: (1) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (2) the financial asset is more than 90 days past due.

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non credit-impaired financial assets interest income is calculated based on the gross carrying amount.

The gross carrying amount of a financial asset is written off to the extent that there is no reasonable expectation of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

##### (iii) **Financial liabilities**

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

##### **Financial liabilities at amortised cost**

Financial liabilities at amortised cost including other payables and accruals and lease liabilities are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.



#### 4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

##### (f) *Financial instruments (Continued)*

##### (iv) **Effective interest method**

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

##### (v) **Equity instruments**

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

##### (vi) **Derecognition**

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKFRS 9.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

##### (g) *Revenue recognition*

The Group is principally engaged in the development and operation of self-developed browser and mobile games and provision of software licensing services.

##### **Game operation and publishing income**

The Group operates self-developed mobile games under free-to-play model. Game players can purchase game credits which are virtual currency for acquisition of in-game virtual items for better in-game experience. The Group sells prepaid game credits through cooperation with various third party game distribution platforms and payment channels. These game distribution platforms, include major online application stores such as Google Play, and payment channels are entitled to services fees which are withheld and deducted from the gross proceeds collected from players, with the net amounts remitted to the Group. These service fee are commonly referred to as channel costs. The Group recognises revenue on a gross basis given it is the principal in these transactions, and records the channel cost under costs of revenue in the consolidated statement of profit or loss.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### *(g) Revenue recognition (Continued)*

##### **Game operation and publishing income (Continued)**

The Group has evaluated the respective roles and responsibilities of the Group, third-party distribution platforms and third-party payment channels in the delivery of game experiences to the paying players ("Paying Players") in determining if the Group is acting as principal or as an agent in the arrangement. The Group is responsible for the hosting the self-developed games, providing customers' services to game players, determining the selling price of the in-game token, selection of distribution and payment channels and preventing, detecting and resolving cheating and hacking activities. The Group has evaluated and determined that it is the primary obligor in the rendering services to game players. Accordingly, the Group considers that the Paying Players as their customers and the game operation income reported in the consolidated financial statements are on gross basis. Service charges by third-party distribution platforms and third-party payment channels are recorded as direct costs. Third-party distribution platforms and third-party payment channels collect the payment from the Paying Players and remit the cash net of commission charges which are pre-determined according to the relevant terms entered into between the Group and the third-party distribution platforms or third-party payment channels.

Upon the sales of game credits or in-game virtual items, the Group typically has an implied obligation to provide the services which enable the game credits or in-game virtual items to be displayed, used or converted into other in-game virtual currencies/items in the games. As a result, the proceeds received from sales of game credits or in-game virtual items are initially recorded as deferred revenue, which was accounted for as contract liabilities. The attributable portion of the deferred revenue relating to values of the game credits consumed and in-game virtual items converted are recognised as revenue upon the consumption of game credits and virtual items by Paying Players.

#### *(h) Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand and deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amount of cash and are subject to an insignificant risks of change in value.

#### 4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

##### (i) *Income taxes*

Income taxes for the year comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for goodwill and recognised assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of the reporting period.

Income taxes are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income or when they related to items recognised directly in equity in which case the taxes are also recognised directly in equity.

##### (j) *Foreign currency*

Transactions entered into by group entities in currencies other than the currency of the primary economic environment in which they operate (the “functional currency”) are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Company and certain subsidiaries are translated into the presentation currency of the Group (i.e. HKD) at the rate of exchange prevailing at the end of the reporting period, and their income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as foreign exchange reserve.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### *(k) Employee benefits*

##### **(i) Retirement benefit costs**

The employees of the Group's subsidiary which operates in the PRC are required to participate in a central pension scheme operated by the local municipal government. This subsidiary is required to contribute certain percentage of employees' salaries to the central pension scheme.

Contributions are recognised as an expense in profit or loss when the services are rendered by the employees. The Group's obligations under these plans are limited to the fixed percentage contributions payable.

##### **(ii) Short-term employee benefits**

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period. Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

#### *(l) Impairment of other assets*

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, intangible assets and right-of-use assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased.

If the recoverable amount (i.e. the greater of the fair value less costs of disposal and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

#### 4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

##### *(m) Related parties*

- (a) A person or a close member of that person's family is related to the Group if that person:
  - (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of key management personnel of the Group or the Company's parent.
- (b) An entity is related to the Group if any of the following conditions apply:
  - (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a).
  - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).
  - (viii) The entity, or any member of the group of which it is a part, provides key management personnel services to the Group or the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

### 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

In addition to information disclosed elsewhere in this consolidated financial statements, other key sources of estimation uncertainty that have significant risks of resulting a material adjustment to the carrying amounts of assets and liabilities within next financial year are as follows:

#### *(i) Estimated useful lives of property, plant and equipment*

The Group's management determines the useful lives and the related depreciation charges for its property, plant and equipment. The estimates are based on the historical experience of the actual useful lives of those assets of similar nature and functions. Management will increase the depreciation charges where useful lives are subsequently assessed to be less than previously estimated lives. It will write off or write down the technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from the estimated useful lives. Periodic review could result in a change in depreciable or amortisable lives and therefore affect the depreciation or amortisation charges in future periods.

#### *(ii) Impairment of intangible assets*

Intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts have been determined based on the higher of value in use and fair value less costs of disposal. These calculations require the use of judgements and estimates.

Management judgement is required in the area of asset impairment particularly in assessing: (a) whether an event has occurred that may indicate that the related asset values may not be recoverable; (b) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs of disposal and net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (c) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management in assessing impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test and as a result affect the Group's financial condition and results of operations. If there is a significant adverse change in the projected performance and resulting future cash flow projections, it may be necessary to take an impairment charge to profit or loss.



## 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

### *(iii) Impairment of property, plant and equipment*

The Group assesses whether there are any indicators of impairment for property, plant and equipment at the end of each reporting period. The property, plant and equipment are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposal of the asset. When value in use calculation is undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

### *(iv) Income taxes*

The Group is subject to income taxes in Singapore and Thailand. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the current tax liabilities in the period in which such determination is made.

### *(v) Leases — Estimating the incremental borrowing rate*

The Group cannot readily determine the interest rate implication of a lease, and therefore, it uses an incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate therefore reflects what the Group “would have to pay”, which requires estimation when no observable rates are available or when it needs to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiaries' stand-alone credit rating).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

### 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

#### (vi) Fair value measurement of financial instruments

At 31 December 2024, the Group's financial assets at fair value through profit or loss amounting to approximately HKD14,493,000 (2023: HKD14,603,000) are measured at fair value determined based on significant unobservable inputs using valuation techniques. Judgement and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in assumptions relating to these factors could result in material adjustments to the fair value of these instruments. See note 35(e) for further disclosures.

### 6. SEGMENT INFORMATION

#### (a) Reportable segments

The Group determines its operating segments based on the reports reviewed by the chief operating decision makers that are used to make strategic decisions.

For the years ended 31 December 2024 and 2023, the Group has two reportable segments. These segments are managed separately as each business offers different products and services which require different business strategies. The following summary describes the operations in each of the Group's reportable segments:

- Game and software development and publishing
- Game operation and publishing — Mobile game operation and/or publishing for earning game operation income

	2024 HKD'000	2023 HKD'000
<b>Revenue from customers:</b>		
Game and software development and publishing	19	3,022
Game operation and publishing	140,572	131,905
	<b>140,591</b>	134,927

Certain corporate expenses, mainly including director fees and professional fees, and interest income, are not allocated to the operating segments as they are not included in the measurement of the segment's profit that is used by the chief operating decision-makers for assessment of segment performance.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

## 6. SEGMENT INFORMATION (Continued)

### (a) Reportable segments (Continued)

Information regarding the Group's reportable segments for the years ended 31 December 2024 and 2023 is set out below.

	For the year ended 31 December 2024		
	Game and software development and publishing HKD'000	Game operation and publishing HKD'000	Total HKD'000
Revenue from external customers	19	140,572	140,591
Reportable segment (loss)/profit	(35,232)	69,791	34,559
Interest income	17	81	98
Government grants	172	—	172
Finance costs	69	32	101
Depreciation and amortisation	2,532	578	3,110
Income tax expense	3,612	13,561	17,173
Reportable segment assets	84,076	20,430	104,506
Reportable segment liabilities	3,559	15,083	18,642
Additions to non-current assets <sup>#</sup>	9,850	656	10,506

	For the year ended 31 December 2023		
	Game and software development and publishing HKD'000	Game operation and publishing HKD'000	Total HKD'000
Revenue from external customers	3,022	131,905	134,927
Reportable segment (loss)/profit	(40,501)	44,752	4,251
Interest income	36	104	140
Government grants	210	—	210
Finance costs	61	9	70
Depreciation and amortisation	1,619	645	2,264
Income tax expense	2,634	5,637	8,271
Reportable segment assets	104,321	41,646	145,967
Reportable segment liabilities	5,773	13,096	18,869
Additions to non-current assets <sup>#</sup>	14,699	649	15,348

<sup>#</sup> Additions to non-current assets during the year include all non-current assets other than financial instruments and deferred tax assets.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

## 6. SEGMENT INFORMATION (Continued)

### (a) Reportable segments (Continued)

Reconciliation of reportable segment revenue, profit or loss, assets and liabilities

	2024 HKD'000	2023 HKD'000
<i>Profit before income tax</i>		
Reportable segment profit	34,559	4,251
Unallocated interest income	4	6
Unallocated corporate (expenses)/income	(15,537)	576,532
Consolidated profit before income tax	19,026	580,789
<i>Assets</i>		
Reportable segment assets	104,506	145,967
Unallocated corporate assets	30,170	14,906
Consolidated total assets	134,676	160,873
<i>Liabilities</i>		
Reportable segment liabilities	18,642	18,869
Unallocated corporate liabilities	2,040	1,683
Consolidated total liabilities	20,682	20,552

### (b) Disaggregation of revenue from customers by geographic market and timing of revenue

In the following table, revenue is disaggregated by primary geographical market and the timing of revenue recognition.

	2024 HKD'000	2023 HKD'000
<b>Primary geographical markets*</b>		
Asia Pacific	140,591	134,927

\* Based on the location of game operation.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

### 6. SEGMENT INFORMATION (Continued)

*(b) Disaggregation of revenue from customers by geographic market and timing of revenue (Continued)*

	2024 HKD'000	2023 HKD'000
<b>Timing of revenue recognition</b>		
At a point in time	140,591	134,927

The Group's non-current assets (other than financial instruments and deferred tax assets) by geographical location of the assets are detailed below:

	2024 HKD'000	2023 HKD'000
<b>Non-current assets</b>		
Thailand	1,745	1,649
People's Republic of China (the "PRC")	962	622
Hong Kong	535	857
Singapore	25,867	18,471
	29,109	21,599

*(c) Information about major customers*

There was no revenue from customers individually contributing over 10% to the total revenue of the Group for the years ended 31 December 2024 and 2023.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

## 7. REVENUE AND OTHER INCOME

	2024 HKD'000	2023 HKD'000
<b>Revenue</b>		
Game and software development and publishing	19	3,022
Game operation and publishing	140,572	131,905
	140,591	134,927
<b>Other income</b>		
Government grants	172	210
Interest income	102	146
Exchange gain, net	—	19,191
Gain on modification of lease	16	—
Others	31	181
	321	19,728

## 8. FINANCE COSTS

	2024 HKD'000	2023 HKD'000
Interest expenses on lease liabilities	101	70
Imputed interest expenses on promissory notes	—	837
Interest expenses on promissory notes	—	8,231
	101	9,138

## 9. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging/(crediting):

	2024 HKD'000	2023 HKD'000
Auditors' remuneration:		
— Audit service	1,916	1,761
Depreciation of property, plant and equipment*	1,933	1,192
Depreciation of right-of-use assets*	1,177	1,072
Short-term leases expenses	408	378
Legal and professional fees	8,706	9,002
Exchange loss/(gain), net	284	(19,191)
Loss on disposals of subsidiaries	—	2,880
Expected credit loss on other receivables	—	238

\* Included in administrative expenses in the consolidated statement of profit or loss and other comprehensive income.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

### 10. INCOME TAX EXPENSE

	2024 HKD'000	2023 HKD'000
Current year — PRC Enterprise Income Tax (“EIT”)		
— Tax for the year	114	—
Current year — Thailand Corporate Income Tax (“CIT”)		
— Tax for the year	14,129	9,158
— Over-provision in respect of prior years	(682)	(88)
— Withholding tax on dividends	5,117	3,054
	18,678	12,124
Deferred tax ( <i>note 25</i> )	(1,505)	(3,853)
	17,173	8,271

No Hong Kong Profits Tax was provided in the consolidated financial statements as the Group has no estimated assessable profits derived from or arising in Hong Kong during the years ended 31 December 2024 and 2023.

No Singapore Corporate Income Tax was provided in the consolidated financial statements as the Group has no estimated assessable profits derived from or arising in Singapore during the years ended 31 December 2024 and 2023.

Provision for the EIT in the PRC is calculated at the applicable rate of 25% in accordance with the relevant laws and regulations in the PRC for the year ended 31 December 2024. No EIT in the PRC is provided in the consolidated financial statements as the Group has no estimated assessable profits derived from or arising in the PRC during the year ended 31 December 2023.

Firerock Co., Ltd. (“Firerock”) is a subsidiary incorporated in Thailand and its assessable profits are taxed at 20% for the years ended 31 December 2024 and 2023.

Pursuant to the PRC EIT Law, 10% withholding tax (unless reduced by tax treaties/arrangements) is levied on dividends declared to foreign investors from the foreign investment enterprise established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007.

Under the PRC EIT Law and Implementation Regulations of the PRC EIT Law, Chun-Pu Technology (Shenzhen) Company Limited, a subsidiary in the PRC, is allowed for 100% additional tax deduction for certain qualified research costs.

Pursuant to the Thai Revenue Code, 10% withholding tax is levied on dividends declared to the shareholders of the subsidiaries in Thailand.

The Company and the subsidiaries incorporated in the Cayman Islands and the British Virgin Islands are not subject to income taxes.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

### 10. INCOME TAX EXPENSE (Continued)

The income tax expense for the year can be reconciled to the profit before income tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2024 HKD'000	2023 HKD'000
Profit before income tax	<b>19,026</b>	580,789
Tax on loss before income tax, calculated at the applicable tax rates	<b>4,632</b>	95,582
Tax effect of non-deductible expenses for tax purpose	<b>2,628</b>	4,057
Tax effect of non-taxable income for tax purpose	<b>(31)</b>	(98,318)
Tax effect attributable to the additional qualified tax deduction relating to research cost	<b>(1,142)</b>	(4,833)
Tax effect of unrecognised temporary differences	<b>10</b>	—
Tax effect of recognition of previously unrecognised temporary differences	<b>—</b>	(610)
Tax effect of tax losses not recognised	<b>8,079</b>	11,209
Withholding tax on dividends	<b>3,679</b>	1,272
Over-provision in respect of prior years	<b>(682)</b>	(88)
Income tax expense	<b>17,173</b>	8,271

### 11. DIVIDENDS

The Board does not recommend the payment of any final dividend for the years ended 31 December 2024 and 2023.

### 12. (LOSS)/EARNINGS PER SHARE

The calculation of (loss)/earnings per share is based on the loss attributable to owners of the Company of approximately HKD17,065,000 (2023: profit attributable to owners of the Company of approximately HKD559,911,000) and the weighted average number of 3,840,000,000 ordinary shares (2023: 3,840,000,000 ordinary shares) in issue during the year ended 31 December 2024.

Diluted (loss)/earnings per share are the same as the basic (loss)/earnings per share as there were no dilutive potential ordinary shares in existence during the years ended 31 December 2024 and 2023.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

### 13. STAFF COSTS

	2024 HKD'000	2023 HKD'000
Staff costs (including directors' emoluments ( <i>note 14(a)</i> )) comprise:		
Salaries, allowances and benefits in kind	27,617	29,633
Contributions to defined retirement pension scheme	3,510	5,760
	31,127	35,393

Staff costs are included in:

	2024 HKD'000	2023 HKD'000
Direct costs	2,062	1,370
Research costs	4,569	19,333
Distribution costs	2,954	1,404
Administrative expenses	21,542	13,286
	31,127	35,393



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

## 14. DIRECTORS' EMOLUMENTS AND HIGHEST PAID INDIVIDUALS

### (a) Directors' emoluments

The emoluments of the directors are set out below:

#### Year ended 31 December 2024

	Fees HKD'000	Salaries, allowances and benefits in kind HKD'000	Contributions to defined retirement pension scheme HKD'000	Discretionary bonus HKD'000	Total HKD'000
<i>Executive directors</i>					
Mr. Zhou Zhiwei	—	1,095	93	70	1,258
Mr. Gao Bo	—	870	81	—	951
Ms. Wong Yan	360	—	—	—	360
<i>Independent Non-executive directors</i>					
Mr. Tam Chik Ngai Ambrose	180	—	—	—	180
Ms. Chow Woon San Shirley	180	—	—	—	180
Mr. Lok Tze Bong	180	—	—	—	180
<b>Total</b>	<b>900</b>	<b>1,965</b>	<b>174</b>	<b>70</b>	<b>3,109</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

## 14. DIRECTORS' EMOLUMENTS AND HIGHEST PAID INDIVIDUALS (Continued)

### (a) Directors' emoluments (Continued)

#### Year ended 31 December 2023

	Fees HKD'000	Salaries, allowances and benefits in kind HKD'000	Contributions to defined retirement pension scheme HKD'000	Discretionary bonus HKD'000	Total HKD'000
<i>Executive directors</i>					
Mr. Zhou Kun (resigned on 12 April 2023)	—	—	—	—	—
Mr. Chen Di (resigned on 7 August 2023)	—	—	—	—	—
Mr. Zhou Zhiwei (appointed on 31 March 2023)	—	1,144	96	140	1,380
Mr. Gao Bo (appointed on 31 March 2023)	—	889	84	70	1,043
Ms. Wong Yan (appointed on 16 June 2023)	195	—	—	—	195
<i>Non-executive directors</i>					
Mr. Zhang Yan (resigned on 30 May 2023)	—	250	8	50	308
Ms. Yang Kan (resigned on 30 May 2023)	75	—	—	—	75
<i>Independent Non-executive directors</i>					
Mr. Chan King Fai (resigned on 30 May 2023)	75	—	—	—	75
Mr. Yang Zhen (resigned on 12 April 2023)	51	—	—	—	51
Ms. Zhuang Renyan (resigned on 30 May 2023)	75	—	—	—	75
Mr. Tam Chik Ngai Ambrose (appointed on 30 March 2023)	136	—	—	—	136
Ms. Chow Woon San Shirley (appointed on 30 March 2023)	136	—	—	—	136
Mr. Lok Tze Bong (appointed on 12 April 2023)	130	—	—	—	130
Total	873	2,283	188	260	3,604

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

### 14. DIRECTORS' EMOLUMENTS AND HIGHEST PAID INDIVIDUALS (Continued)

#### (b) Five highest paid individuals

Of the five individuals with the highest emoluments in the Group, two (2023: two) are the directors of the Company whose emoluments are included in the analysis presented above. The emoluments of the remaining three (2023: three) highest paid individuals during the years ended 31 December 2024 and 2023 are as follows:

	2024 HKD'000	2023 HKD'000
Salaries, allowances and benefits in kind	2,586	2,259
Discretionary bonus	58	188
Contributions to defined contribution retirement plans	124	173
	2,768	2,620

Their emoluments fell within the following bands:

	2024 No. of individuals	2023 No. of individuals
Nil-HKD1,000,000	2	3
HKD1,000,001-HKD1,500,000	1	—

During the years ended 31 December 2024 and 2023, no emoluments were paid by the Group to the directors or highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. In addition, no directors waived or agreed to waive any emoluments during the year ended 31 December 2024.

#### (c) Senior management

Emoluments paid or payable to members of senior management who are not directors were within the following bands:

	2024 No. of individuals	2023 No. of individuals
Nil-HKD1,000,000	—	—



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

## 15. PROPERTY, PLANT AND EQUIPMENT

	Office equipment HKD'000	Furniture and fixtures HKD'000	Leasehold improvement HKD'000	Motor vehicles HKD'000	Total HKD'000
<b>Cost</b>					
At 1 January 2023	1,229	544	538	2,534	4,845
Additions	705	272	2,032	—	3,009
Disposal of a subsidiary (Note 30(a))	(180)	(121)	(72)	—	(373)
Exchange alignment	25	10	38	9	82
At 31 December 2023 and 1 January 2024	<b>1,779</b>	<b>705</b>	<b>2,536</b>	<b>2,543</b>	<b>7,563</b>
Additions	<b>309</b>	<b>86</b>	<b>62</b>	<b>—</b>	<b>457</b>
Disposals	<b>(30)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(30)</b>
Exchange alignment	<b>(14)</b>	<b>(2)</b>	<b>(60)</b>	<b>8</b>	<b>(68)</b>
At 31 December 2024	<b>2,044</b>	<b>789</b>	<b>2,538</b>	<b>2,551</b>	<b>7,922</b>
<b>Accumulated depreciation</b>					
At 1 January 2023	397	172	141	630	1,340
Charge for the year	313	158	232	489	1,192
Disposal of a subsidiary (Note 30(a))	(32)	(22)	(13)	—	(67)
Exchange alignment	9	4	5	3	21
At 31 December 2023 and 1 January 2024	<b>687</b>	<b>312</b>	<b>365</b>	<b>1,122</b>	<b>2,486</b>
Charge for the year	<b>491</b>	<b>156</b>	<b>799</b>	<b>487</b>	<b>1,933</b>
Written back on disposals	<b>(30)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(30)</b>
Exchange alignment	<b>(6)</b>	<b>—</b>	<b>(18)</b>	<b>8</b>	<b>(16)</b>
At 31 December 2024	<b>1,142</b>	<b>468</b>	<b>1,146</b>	<b>1,617</b>	<b>4,373</b>
<b>Accumulated impairment</b>					
At 1 January 2023	147	99	59	—	305
Disposal of a subsidiary (Note 30(a))	(148)	(99)	(59)	—	(306)
Exchange alignment	1	—	—	—	1
At 31 December 2023 and 31 December 2024	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Net carrying value</b>					
At 31 December 2024	<b>902</b>	<b>321</b>	<b>1,392</b>	<b>934</b>	<b>3,549</b>
At 31 December 2023	1,092	393	2,171	1,421	5,077

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

### 16. INTANGIBLE ASSETS

	Development costs HKD'000
<b>Cost</b>	
At 1 January 2023	3,218
Additions	11,894
Exchange alignment	238
At 31 December 2023 and 1 January 2024	<b>15,350</b>
Additions	<b>8,788</b>
Exchange alignment	<b>(600)</b>
At 31 December 2024	<b>23,538</b>
<b>Accumulated amortisation and impairment</b>	
At 1 January 2023, 31 December 2023 and 31 December 2024	—
<b>Net carrying value</b>	
At 31 December 2024	<b>23,538</b>
At 31 December 2023	15,350

Intangible assets represent the development costs incurred and capitalised for developing a new mobile game.

The estimation of recoverable amount as at 31 December 2024 was based on the value in use of the cash-generating unit of the mobile game to which development costs and certain non-current assets (the "Identified Assets") belong to. The value in use calculations use cash flow projections based on financial budgets approved by the management of the Group covering the expected lifecycle of such game operation and a pre-tax discount rate of 10.3%.

The financial budget is based on historical performance and expected growth rate for developments and operations of other mobile games of the Group.

The recoverable amount is assessed to be above the carrying amount of the Identified Assets. Management of the Group believes that any reasonably possible change in any of these assumptions would not result in material impairment.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

### 17. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group leases a number of office premises in the jurisdictions from which it operates, including the PRC, Thailand and Singapore (2023: Hong Kong, Thailand and Singapore). The leases of buildings comprise only fixed payments over the lease terms.

#### *Right-of-use assets*

HKD'000	
<b>Cost</b>	
At 1 January 2023	4,652
Additions of new leases	445
Exchange alignment	51
At 31 December 2023 and 1 January 2024	<b>5,148</b>
Additions of new leases	<b>1,261</b>
Modification of lease	<b>790</b>
Termination of leases	<b>(2,055)</b>
Exchange alignment	<b>(63)</b>
At 31 December 2024	<b>5,081</b>
<b>Accumulated depreciation</b>	
At 1 January 2023	2,873
Charge for the year	1,072
Exchange alignment	31
At 31 December 2023 and 1 January 2024	<b>3,976</b>
Charge for the year	<b>1,177</b>
Termination of leases	<b>(2,055)</b>
Exchange alignment	<b>(39)</b>
At 31 December 2024	<b>3,059</b>
<b>Net carrying value</b>	
At 31 December 2024	<b>2,022</b>
At 31 December 2023	1,172

There are no extension or termination options on the Group's leases.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

## 17. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Continued)

### *Lease liabilities*

	31 December 2024		31 December 2023	
	Present Value of minimum lease payment <i>HKD'000</i>	Total minimum lease payment <i>HKD'000</i>	Present Value of minimum lease payment <i>HKD'000</i>	Total minimum lease payment <i>HKD'000</i>
<b>Maturity analysis:</b>				
Within 1 year	1,372	1,456	708	811
After 1 year but within 2 years	526	544	507	481
After 2 years but within 5 years	96	99	—	—
	1,994	2,099	1,215	1,292
Less: Interest		(105)		(77)
		1,994		1,215
<b>Analysed as:</b>				
Non-current		622		507
Current		1,372		708
		1,994		1,215

Reconciliation of liabilities arising from financing activities:

	2024 <i>HKD'000</i>	2023 <i>HKD'000</i>
At 1 January	1,215	1,749
Modification of lease	774	—
Changes from cash flows:		
Payment of principal element of lease liabilities	(1,233)	(1,000)
Payment of interest element of lease liabilities	(101)	(70)
Other changes:		
Finance costs	101	70
Addition of new leases	1,261	445
Exchange alignment	(23)	21
At 31 December	1,994	1,215

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

## 18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 HKD'000	2023 HKD'000
Non-current assets:		
Equity interest in Summer Mountain Limited and its subsidiaries ("Summer Mountain Group") (Note 18(a))	14,493	14,603
Equity interest in a private fund (Note 18(b))	11,840	12,908
	26,333	27,511

Movements of financial assets at fair value through profit or loss are as follows:

	2024 HKD'000	2023 HKD'000
At 1 January	27,511	—
Transfer from deposits paid (Notes 18(a) and 18(b))	—	29,668
Fair value adjustments	(891)	(2,255)
Exchange alignment recognised in profit or loss	(287)	98
At 31 December	26,333	27,511

Notes:

- (a) The Group entered into the Sale and Purchase Agreement with vendors, pursuant to which, the vendors agreed to sell and the Group agreed to acquire entire equity shares in Summer Mountain Group for the consideration of RMB80 million which will be satisfied by cash of RMB16,000,000 and issuance of the Promissory Notes of RMB64,000,000. The principle activities of the Summer Mountain Group are (i) provision of online marketing support, and provision of Internet technology services and technology development to clients; (ii) sales of virtual goods and offline promotion; and (iii) live broadcast and e-commerce operations business. As at 31 December 2022, the amount represented RMB12,500,000 cash deposit paid to the vendors.

On 22 December 2023, the Group entered into a supplemental deed with the vendors (the "Supplemental Deed"), pursuant to which, among other things, the Group and the vendors agreed to (i) terminate the sale and purchase of the entire equity shares in Summer Mountain Group; and (ii) supplement and modify the terms of the sale and purchase, whereby the Group acquired 15.63% equity interests in Summer Mountain Group at a consideration of RMB12,500,000.

On the same date, the Group completed the acquisition of 15.63% interests in Summer Mountain Group, and accordingly, the cash deposit of RMB12,500,000 (approximately HKD13,600,000), which was previously paid by the Group, was transferred from deposits paid to financial assets at fair value through profit or loss.

- (b) The investment portfolio of the private fund consists of stocks listed in the United States (2023: the United States and Hong Kong). As at 31 December 2022, the amount represented deposit paid as a part of initial investment to general partner for a private fund which is wholly-owned by the Group.

During the year ended 31 December 2023, the set-up of the private fund was completed, and accordingly the deposits of HKD16,000,000, which was previously paid by the Group, was transferred from deposits paid to financial assets at fair value through profit or loss.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

### 19. DEPOSITS

	2024 HKD'000	2023 HKD'000
Rental deposits	138	84

### 20. TRADE AND OTHER RECEIVABLES

	2024 HKD'000	2023 HKD'000
Trade receivables (Note (a))	18,218	20,645
Other receivables (Note (b)):		
Deposits	386	343
Prepayments	1,156	1,307
Others	3,585	1,722
Total other receivables	5,127	3,372

#### (a) Trade receivables

The Group normally allows a credit period within 30 days to its third party game distribution platforms and payment channels. Further details on the Group's credit policy and credit risk arising from trade receivables are set out in Note 35(a).

The ageing analysis of trade receivables (net), based on invoice date, as of the end of the reporting period is as follows:

	2024 HKD'000	2023 HKD'000
0-30 days	10,504	10,486
31-60 days	5,818	8,192
61-90 days	52	47
91-180 days	126	1,629
181-365 days	218	291
Over 1 year	1,500	—
	18,218	20,645

No impairment allowance under the expected credit losses approach was provided as the management considered that there has not been a significant change in credit quality based on historical experience and the impairment allowance has no significant financial impact on the Group's trade receivables as at 31 December 2024 and 2023.



## 20. TRADE AND OTHER RECEIVABLES (Continued)

### (a) Trade receivables (Continued)

The Group does not hold any collateral over these balances.

At 31 December 2024, trade receivables of approximately HKD7,621,000 (2023: HKD8,447,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default, and the majority of these balances were settled subsequent to 31 December 2024 and up to the date of this report. The aging analysis of these trade receivables by due dates is as follows:

	2024 HKD'000	2023 HKD'000
Nether past due nor impaired	10,597	12,198
Less than 1 month past due but not impaired	345	8,156
1 to 3 months past due but not impaired	5,776	–
3 to 6 months past due but not impaired	1,500	291
	18,218	20,645

### (b) Other receivables

During the year ended 31 December 2024, certain other receivables of Nil (2023: HKD238,000) was written off as the Group has no realistic prospects of recovering these balances.

## 21. CASH AND CASH EQUIVALENTS

	2024 HKD'000	2023 HKD'000
Cash at banks and on hands	53,644	85,492

Cash at banks earns interest at floating rate based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

### 21. CASH AND CASH EQUIVALENTS (Continued)

The cash and cash equivalents were denominated in following currencies at the end of the reporting period is shown as follows:

	2024 HKD'000	2023 HKD'000
HKD	3,338	3,253
United States dollars ("USD")	43,344	57,590
Thai Baht ("THB")	1,206	19,522
Singapore Dollar ("SGD")	2,796	1,201
RMB	2,960	3,926
	53,644	85,492

RMB is not freely convertible into foreign currencies. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through the banks that are authorised to conduct foreign exchange business.

### 22. OTHER PAYABLES AND ACCRUALS

	2024 HKD'000	2023 HKD'000
Accruals	6,194	11,210
Other tax payables	4,129	1,453
	10,323	12,663

### 23. DEFERRED REVENUE

	2024 HKD'000	2023 HKD'000
Current	334	11

As at 31 December 2024 and 2023, deferred revenue represented unamortised portion of income received in respect of in-game purchase paid by the Paying Players from the Group's game operation segment. Deferred revenue is classified as contract liability under HKFRS 15 "Revenue from contracts from customers".

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

### 23. DEFERRED REVENUE (Continued)

As at 31 December 2024, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts amounted to approximately HKD334,000 (2023: HKD11,000). The Group will recognise the expected revenue in future when or as the service is rendered, which is expected to occur over the next 6–12 months.

The following table shows the amount of revenue recognised in the consolidated statement of profit or loss and other comprehensive income for the respective years relating to deferred revenue brought forward:

	2024 HKD'000	2023 HKD'000
<i>Revenue recognised that was included in the deferred revenue balance at the beginning of the year</i>		
Mobile game	11	7

### 24. PROMISSORY NOTES

	2024 HKD'000	2023 HKD'000
At beginning of the year	—	584,167
Accrued interest expenses	—	8,231
Imputed interest accrued	—	837
Surrender of promissory notes ( <i>note</i> )	—	(574,716)
Exchange alignment recognised in profit or loss	—	(18,519)
At the end of the year	—	—

*Note:*

On 30 June 2023, the Company, the promissory notes' holders and their respective ultimate beneficial owners had all agreed upon negotiation to procure all the promissory notes holders to surrender the promissory notes to the Company and the promissory notes' holders waived their rights to the outstanding principal and the respective interests payable as at 30 June 2023.

### 25. DEFERRED TAX

	2024 HKD'000	2023 HKD'000
Deferred tax assets	2,107	2,170
Deferred tax liabilities	(195)	(1,740)
	1,912	430



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

## 25. DEFERRED TAX (Continued)

Movements of deferred tax (assets)/liabilities are as follows:

	Withholding tax on dividends <i>HKD'000</i>	Right-of-use assets <i>HKD'000</i>	Lease liabilities <i>HKD'000</i>	Accelerated tax allowances <i>HKD'000</i>	Tax losses <i>HKD'000</i>	Total <i>HKD'000</i>
At 1 January 2023	3,437	274	(274)	—	—	3,437
(Credit)/charge for the year	(1,782)	(101)	94	2,764	(4,828)	(3,853)
Exchange alignment	19	4	(4)	40	(73)	(14)
At 31 December 2023 and 1 January 2024	<b>1,674</b>	<b>177</b>	<b>(184)</b>	<b>2,804</b>	<b>(4,901)</b>	<b>(430)</b>
(Credit)/charge for the year	<b>(1,438)</b>	<b>111</b>	<b>(94)</b>	<b>1,238</b>	<b>(1,322)</b>	<b>(1,505)</b>
Exchange alignment	<b>(39)</b>	<b>(2)</b>	<b>2</b>	<b>(102)</b>	<b>164</b>	<b>23</b>
At 31 December 2024	<b>197</b>	<b>286</b>	<b>(276)</b>	<b>3,940</b>	<b>(6,059)</b>	<b>(1,912)</b>

As at 31 December 2024, the Group had the following unrecognised deductible temporary differences:

Nature of temporary difference	Jurisdiction	2024 <i>HKD'000</i>	2023 <i>HKD'000</i>
Decelerated tax allowances	Hong Kong	<b>(65)</b>	—
Unutilised tax losses	Hong Kong	<b>(26,922)</b>	(18,939)
Unutilised tax losses	PRC	<b>(54,132)</b>	(39,677)
Unutilised tax losses	Singapore	<b>(17,610)</b>	—
		<b>(98,664)</b>	(58,616)
		<b>(98,729)</b>	(58,616)

Unutilised tax losses arising from Hong Kong and Singapore are available for offsetting against future taxable income indefinitely.

Unutilised tax losses arising from the PRC will expire in five years.

Certain amounts of unutilised tax losses are subject to approval from the local tax authorities. No deferred tax assets have been recognised due to the unpredictability of future profit streams against which the tax losses can be utilised.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

### 26. SHARE CAPITAL

	Number of ordinary shares	Amount HKD'000
<b>Authorised:</b>		
At 1 January 2023, 31 December 2023 and 31 December 2024	24,000,000,000	20,000
<b>Issued and fully paid:</b>		
At 1 January 2023, 31 December 2023 and 31 December 2024	3,840,000,000	3,200

### 27. RESERVES

Details of the movements on the Group's reserves for the years ended 31 December 2024 and 2023 are presented in the consolidated statement of changes in equity. The nature and purposes of reserves within equity are as follows:

#### (a) Share premium

Share premium is the excess of the proceeds received over the nominal value of the shares of the Company issued at a premium, less expenses incurred in connection with the issue of the shares.

#### (b) Capital reserve

On 20 March 2015, each of the shareholders of the Company advanced a shareholders' loan (the "Shareholders' Loan") amounted to HKD28,000,000 (equivalent to approximately RMB22,094,240) in aggregate to the Company but irrevocably waived by them on 24 March 2015. The Shareholders' Loan was classified as capital reserve of the Company on the same date. The funds represented that an inter-group loan was provided to Fire Rock International (HK) Limited ("Fire Rock (HK)").

On 21 April 2015, Fire Rock (HK) paid a cash consideration of HKD13,800,000 (equivalent to approximately RMB10,892,980) to Mr. Zhang Yan, Mr. Wu Zhe, Mr. Rao Zhen Wu and Mr. Huang Yong, the shareholders of Shenzhen Fire Element Network Technology Company Limited ("Shenzhen Fire Element"), the former subsidiary of the Company, in exchange for their equity interests in Shenzhen Fire Element as part of the Group's reorganisation in 2016. The consideration was funded by the Shareholders' Loan. The remaining balance of the Shareholders' Loan would be used for general working capital requirements and the expenses of the Group.

The above transactions represented an integral part of the Group's reorganisation and in substance are accounted for by the Group as a single arrangement. Accordingly, the capital reserve of the Group reflects the cash inflow of HKD14,200,000 (equivalent to approximately RMB11,201,260) to the Group during the year ended 31 December 2015.

During the year ended 31 December 2021, the major shareholder made a capital contribution of approximately HKD3,020,000 to the Company without allotting and issuing new shares.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

### 27. RESERVES (Continued)

#### (c) Merger reserve

The merger reserve of the Group represents the difference between the investment costs in subsidiaries and the nominal value of the issued share capital of the Group's subsidiaries.

#### (d) Statutory reserve

In accordance with the relevant laws and regulations in the PRC and Articles of Association of the company incorporated in the PRC now comprising the Group, i.e. the PRC Operational Entity, it is required to appropriate 10% of the annual net profits of the PRC Operational Entity, after offsetting any prior years' losses as determined under the PRC accounting standards, to the statutory reserve fund before distributing any net profit. When the balance of the statutory reserve fund reaches 50% of the registered capital of the PRC Operational Entity, any further appropriation is at the discretion of shareholders. The statutory reserve fund can be used to offset prior years' losses, if any, and may be capitalised as capital, provided that the remaining balance of the statutory reserve fund after such issue is no less than 25% of registered capital.

In accordance with Section 1202 of Thai Civil and Commercial Code and Articles of Association of Firerock, it is required to appropriate at least 5% of the annual net profits, after offsetting any prior years' losses as determined under the Thai accounting standards, to the statutory surplus reserve fund before distributing any net profit. When the balance of the statutory surplus reserve fund reaches 10% of the registered capital of Firerock, any further appropriation is at the discretion of shareholders.

#### The Company

	Share premium HKD'000	Capital reserve HKD'000	Share-based payment reserve HKD'000	Accumulated losses HKD'000	Total HKD'000
At 1 January 2023	41,782	31,020	3,310	(626,931)	(550,819)
Profit for the year	—	—	—	574,422	574,422
At 31 December 2023 and 1 January 2024	41,782	31,020	3,310	(52,509)	23,603
Loss for the year	—	—	—	(10,692)	(10,692)
At 31 December 2024	41,782	31,020	3,310	(63,201)	12,911



## 28. SHARE AWARD SCHEME

The Company operates a share award scheme (the "Scheme") to provide incentive to its employees. On 12 September 2018, 8,496,000 award shares (after taking into account of the effect of Share Subdivisions on 4 May 2021 and 19 August 2020) were granted to 47 eligible employees with fair value of HKD3,800,000 (measured at the Company's share closing price at the grant date) and the award shares were held under custody of Ping An of China Securities (Hong Kong) Company Limited. The award shares are unconditionally vested to the eligible employees after 3-year employment with the Group for the period from 12 September 2018 to 11 September 2021.

During the years ended 31 December 2024 and 2023, no share-based payment expenses has been recognised by the Group as staff costs in profit or loss.

The movements of the share-based payment reserve is as follows:

	2024 HKD'000	2023 HKD'000
At 1 January and 31 December	3,310	3,310

## 29. RELATED PARTY TRANSACTIONS

- (a) During the year ended 31 December 2024, the Group did not incur technical service fee to Shenzhen Fire Element (2023: HKD564,000).
- (b) Except for those disclosed elsewhere in the consolidated financial statements, the Group did not enter into any other material related party transactions with its related parties during the years ended 31 December 2024 and 2023.
- (c) Members of key management comprise only of the directors whose emoluments are set out in Note 14(a).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

### 30. DISPOSALS OF SUBSIDIARIES

#### (a) Disposal of Lord Metaverse Co., Ltd. ("Lord Metaverse")

On 6 March 2023, the Group disposed of its entire equity interest in Lord Metaverse at a cash consideration of approximately HKD185,000.

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

	HKD'000
Property, plant and equipment ( <i>note 15</i> )	—
Bank balances and cash	100
Other payables	(6)
Amounts due to the Group	(5,203)
Net liabilities	(5,109)
Release of foreign exchange reserve	(179)
Release of non-controlling interests	3,041
Waiver of receivables from the disposal group	5,203
Loss on disposal of Lord Metaverse	(2,771)
Total consideration satisfied by cash	185
Net cash outflow arising on disposal	
Cash and cash equivalents disposed of	(100)
	(100)

During the year ended 31 December 2024, the Group received the consideration of HKD185,000.

### 30. DISPOSALS OF SUBSIDIARIES (Continued)

*(b) Disposal of Tak Shing International Holdings Limited ("Tak Shing International")*

On 30 November 2023, the Group disposed of its entire equity interest in Tak Shing International at a consideration of HKD10,000.

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

	HKD'000
Bank balances and cash	127
Other payables	(8)
Net assets	119
Loss on disposal of Tak Shing International	(109)
Total consideration satisfied by cash	10
Net cash outflow arising on disposal	
Cash and cash equivalents disposed of	(127)
	(127)

During the year ended 31 December 2024, the Group received the consideration of HKD10,000.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

## 31. HOLDING COMPANY STATEMENT OF FINANCIAL POSITION

	Notes	2024 HKD'000	2023 HKD'000
<b>Non-current assets</b>			
Interests in subsidiaries		19,516	19,500
Financial assets at fair value through profit or loss		14,493	14,603
		34,009	34,103
<b>Current assets</b>			
Prepayments, deposits and other receivables		371	—
Cash and cash equivalents		1,996	406
		2,367	406
<b>Current liabilities</b>			
Other payables and accruals		2,039	1,691
Amounts due to subsidiaries	31(a)	18,226	6,015
		20,265	7,706
<b>Net current liabilities</b>		(17,898)	(7,300)
<b>Net assets</b>		16,111	26,803
<b>Equity</b>			
Share capital		3,200	3,200
Reserves		12,911	23,603
<b>Total equity</b>		16,111	26,803

Note:

(a) The amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

Approved and authorised for issue by the board of directors on 26 March 2025.

**Gao Bo**  
Director

**Wong Yan**  
Director

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

### 32. INTERESTS IN SUBSIDIARIES

The directors are of the opinion that a complete list of the particulars of all subsidiaries will be of excessive length and therefore the list of the following contains only the particulars of principal subsidiaries which principally affect the revenue, results, assets, liabilities or business prospects of the Group.

The following is a list of the principal subsidiaries as at 31 December 2024:

					Proportion of effective equity interests held by the Company		
Name	Form of business structure	Place of incorporation	Place of operations	Description of shares held	2024	2023	Principal activities
<b>Directly held:</b>							
Wisdom Pure International Limited	Limited liability company	The British Virgin Islands	Hong Kong	100 Ordinary Shares of USD100 each	100%	100%	Investment holding
<b>Indirectly held:</b>							
Fire Rock (HK)	Limited liability company	Hong Kong	Hong Kong	Ordinary Share of HKD1	100%	100%	Investment holding and licensing browser games
Firerock Capital Pte. Ltd.	Limited liability company	Singapore	Singapore	Registered capital of S\$100	100%	100%	Software and mobile games development, including the game design, programming and graphics
Firerock	Limited liability company	Thailand	Thailand	Registered capital of THB6,666,665	66.15%	66.15%	Mobile game operation
Chun-Pu Technology (Shenzhen) Company Limited	Limited liability company	PRC	PRC	Registered capital of RMB40,000,000	100%	100%	Software and mobile games development, including the game design, programming and graphics

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 32. INTERESTS IN SUBSIDIARIES (Continued)

The following table lists out the information relating to certain subsidiaries of the Group which has material non-controlling interests (NCI). The summarised financial information presented below represents the amounts before any inter-company elimination.

#### *Firerock*

	2024 HKD'000	2023 HKD'000
NCI percentage	<b>33.85%</b>	33.85%
Current assets	<b>18,546</b>	39,913
Non-current assets	<b>1,883</b>	1,733
Current liabilities	<b>15,078</b>	14,024
Non-current liabilities	<b>342</b>	299
Net assets	<b>5,009</b>	27,323
Carrying amount of NCI	<b>1,695</b>	9,249

	2024 HKD'000	2023 HKD'000
Revenue	<b>140,572</b>	130,976
Profit for the year	<b>55,889</b>	39,115
Total comprehensive income	<b>55,312</b>	39,427
Profit allocated to NCI	<b>18,918</b>	13,240
Dividend paid to NCI	<b>26,277</b>	15,251
Cash flows from operating activities	<b>61,555</b>	30,241
Cash flows used in investing activities	<b>(356)</b>	(100)
Cash flows used in financing activities	<b>(79,015)</b>	(44,145)

### 33. CAPITAL MANAGEMENT

The Group's primary objective when managing capital is to safeguard the Group's ability to continue as a going concern and maximising the return to stakeholders. The Group's capital structure is regularly reviewed and managed by the Directors. The Group is not subject to externally imposed capital requirements. To maintain or adjust capital structure, the Group may adjust dividend payment to shareholders or issue new shares. Adjustments will be made to the capital structure in light of changes in economic conditions affecting the Company or its subsidiaries, and the risk characteristics of the Group's underlying assets.

The Group defines "capital" as including all components of equity. The equity of the Group at 31 December 2024 was approximately HKD113,994,000 (2023: approximately HKD140,321,000).



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 34. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The following table shows the carrying amounts of financial assets and liabilities as defined in Note 4(g):

	2024 HKD'000	2023 HKD'000
<b>Financial assets</b>		
<i>At amortised costs:</i>		
Trade receivables	18,218	20,645
Deposits and other receivables	4,109	2,149
Cash and cash equivalents	53,644	85,492
	75,971	108,286
<i>At fair value:</i>		
Financial assets at fair value through profit or loss	26,333	27,511
	102,304	135,797
<b>Financial liabilities</b>		
<i>At amortised costs:</i>		
Other payables and accruals	6,194	11,210

### 35. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

The main risks arising from the Group's financial instruments in the normal course of the Group's business are credit risk, liquidity risk, interest rate risk and currency risk. These risks are limited by the Group's financial management policies and practices described below.

#### (a) Credit risk

The Group's credit risk is primarily attributable to its trade and other receivables, deposits and cash and cash equivalents. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 35. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

#### (a) Credit risk (Continued)

In respect of trade receivables, individual credit evaluations are performed on third-party game distribution platforms and payment channels. These evaluations focus on their past history of making payments when due and current ability to pay, and take into account information specific to them as well as pertaining to the economic environment in which they operate. Trade receivables are due within 30 days. Normally, the Group does not obtain collateral from the trade debtors. Also, management reviews regularly the recoverable amount of individual trade and other receivables to ensure that adequate impairment provision is made for irrecoverable amounts.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each trade debtors. The default risk of the industry and country in which the trade debtors also has an influence on credit risk but to a lesser extent. As at 31 December 2024, four (2023: four) payment platform operators with the highest trade receivables balance were approximately HKD16,239,000 (2023: HKD18,607,000) and represented 89% (2023: 90%) of the total balance of trade receivables.

The Group applies the simplified approach to providing for ECLs prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables from third parties and related parties.

To measure the ECLs of trade receivables, trade receivables have been grouped based on shared credit risk characteristics and the days of initial recognition.

Management has closely monitored the credit qualities and the collectability of trade receivables and considers that the ECL is immaterial with the expected credit loss rate being closed to zero. No loss allowance provision is made for trade receivables for the years ended 31 December 2024 and 2023.

As at 31 December 2024, the credit risk of the remaining financial assets are considered immaterial as the counterparty have a low risk of default.

The maximum exposure to credit risk in respect of the financial instruments are their carrying values.

The credit risk for liquid funds is considered negligible. Cash and cash equivalents are placed with reputable banks with high quality external credit ratings. There was no recent history of default of cash and cash equivalents and short-term deposits from such financial institutions.

The Group does not hold collateral as security. The Group does not provide any guarantees which would expose the Group to credit risk.

The credit policy has been followed by the Group since prior year and is considered to have been effective in limiting the Group's exposure to credit risk to a desirable level.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 35. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

#### (b) Liquidity risk

The Group's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term. Management of the Company is satisfied that the Group will be able to meet in full its financial obligations as and when they fall due in the foreseeable future in the normal course of business.

The following table shows the remaining contractual maturities at the end of each of the reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flow (including interest payment computed using contractual rates or, if floating, based on the current rates at the end of the reporting period) and the earliest date the Group may be required to pay.

	Carrying amount HKD'000	Total contractual undiscounted cash flows HKD'000	Within 1 year or on demand HKD'000	More than 1 year but less than 2 years HKD'000	More than 2 years but less than 5 years HKD'000
<b>At 31 December 2024</b>					
Other payables and accruals	6,194	6,194	6,194	—	—
Lease liabilities	1,994	2,099	1,456	544	99
<b>Total</b>	<b>8,188</b>	<b>8,293</b>	<b>7,650</b>	<b>544</b>	<b>99</b>

	Carrying amount HKD'000	Total contractual undiscounted cash flows HKD'000	Within 1 year or on demand HKD'000	More than 1 year but less than 2 years HKD'000	More than 2 years but less than 5 years HKD'000
<b>At 31 December 2023</b>					
Other payables and accruals	11,210	11,210	11,210	—	—
Lease liabilities	1,215	1,292	811	481	—
<b>Total</b>	<b>12,425</b>	<b>12,502</b>	<b>12,021</b>	<b>481</b>	<b>—</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 35. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

#### (c) Interest rate risk

Other than deposits held in banks, the Group does not have significant interest-bearing assets. The Directors consider the Group's cash flow interest rate risk on bank balances is not significant due to low level of deposit interest rate.

Lease liabilities bear weighted average incremental borrowing rate of 5.3% to 7.0% (2023: 5.5% to 7.0%) as at 31 December 2024. The Directors consider that the interest rate risk is not significant as the possible change in the interest rate will not have significant impact on the Group's consolidated financial statements.

As at 31 December 2024 and 2023, the Group has no interest-bearing liabilities, which may expose the Group to any interest rate risk.

#### (d) Currency risk

The Group is exposed to currency risk primarily through assets and liabilities that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily USD, RMB and SGD.

Foreign currency risk arises from the Group's financial assets and financial liabilities, which were denominated in a currency other than the functional currency in net position of each subsidiary at the end of each reporting period are as follows:

	2024 HKD'000	2023 HKD'000
<b>Net monetary assets</b>		
USD	57,322	70,178
RMB	14,002	14,088
SGD	479	—

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 35. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

#### (d) Currency risk (Continued)

The following table indicates the approximate effect on the profit for the year in response to reasonably possible changes in the foreign exchange rates, with all other variables held constant, to which the Group has significant exposure at the end of each reporting period.

	Year ended 31 December 2024			
	Appreciates against HKD	Increase/ (decrease) in profit for the year and retained profits HKD'000	Depreciates against HKD	(Decrease)/ increase in profit for the year and retained profits HKD'000
USD	1%	553	1%	(553)
RMB	5%	740	5%	(740)
SGD	5%	19	5%	(19)

	Year ended 31 December 2023			
	Appreciates against HKD	Increase/ (decrease) in profit for the year and retained profits HKD'000	Depreciates against HKD	(Decrease)/ increase in profit for the year and retained profits HKD'000
USD	1%	705	1%	(705)
RMB	5%	704	5%	(704)

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of the reporting period and had been applied to each of the group entities, exposure to currency risk for financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant.

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual reporting date. Results of the analysis as presented in the above table represent an aggregation of the effects on Groups' profit for the year and equity measured in the respective foreign currencies, translated into HKD at the exchange rate ruling at the end of reporting period for presentation purposes. The measures to manage foreign currency risk have been followed by the Group since prior years and are considered to be effective.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 35. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

#### *(e) Fair value measurements*

##### **(i) Financial instruments not measured at fair value**

Financial instruments not measured at fair value include trade receivables, deposits and other receivables, cash and cash equivalents as well as other payables. Due to their short-term nature, the carrying values of these financial instruments approximate their fair values.

##### **(ii) Financial instruments measured at fair value**

###### *Fair value hierarchy*

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.



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## 35. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

### (e) Fair value measurements (Continued)

#### (ii) Financial instruments measured at fair value (Continued)

Fair value hierarchy (Continued)

	Fair value at 31 December 2024 HKD'000	Fair value measurements as at 31 December 2024 categorised into		
		Level 1 HKD'000	Level 2 HKD'000	Level 3 HKD'000
<b>Recurring fair value measurement</b>				
Financial assets at fair value through profit or loss:				
Equity interest in Summer Mountain Group	14,493	—	—	14,493
Equity interest in a private fund	11,840	—	11,840	—
	<b>26,333</b>	<b>—</b>	<b>11,840</b>	<b>14,493</b>

	Fair value at 31 December 2023 HKD'000	Fair value measurements as at 31 December 2023 categorised into		
		Level 1 HKD'000	Level 2 HKD'000	Level 3 HKD'000
<b>Recurring fair value measurement</b>				
Financial assets at fair value through profit or loss:				
Equity interest in Summer Mountain Group	14,603	—	—	14,603
Equity interest in a private fund	12,908	—	12,908	—
	<b>27,511</b>	<b>—</b>	<b>12,908</b>	<b>14,603</b>

During the years ended 31 December 2024 and 2023, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 35. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

#### (e) Fair value measurements (Continued)

##### (ii) Financial instruments measured at fair value (Continued)

###### Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of the equity interest in a private fund is determined with reference to the quoted market prices of the stocks listed in the United States and Hong Kong, held by the investment portfolio of the fund.

###### Information about Level 3 fair value measurements

	Valuation techniques	Unobservable input	Range	Value
Equity interest in Summer Mountain Group	Market approach	Adjusted enterprise value to earnings before interest and taxes ratio ("Adjusted EV to EBIT Ratio")	8.65 to 18.04 (2023: 6.19 to 14.30)	14.82 (2023: 11.26)
		Adjusted price to earnings ratio ("Adjusted P/E Ratio")	6.12 to 16.54 (2023: 6.62 to 15.34)	12.37 (2023: 11.57)
		Lack of marketability discount	20.4% (2023: 20.5%)	20.4% (2023: 20.5%)

The equity interest in Summer Mountain Group was categorised into Level 3 of the fair value hierarchy. Its fair value was determined by an independent qualified professional valuer, Peak Vision Appraisals Limited ("Peak Vision"), engaged by the Group.

Peak Vision and its professional valuers in charge of this valuation have appropriate qualifications and relevant experience in various valuation assignments related to equity interests in private companies. The professional valuers of Peak Vision involved in this valuation include professional members of the MRICS, CFA and CPA.

Among the professional institutions mentioned above, the Royal Institution of Chartered Surveyors is a member organization of the IVSC which encourages its members to adopt and use the International Valuation Standards laid down by the IVSC. Peak Vision has assessed and declared its independence to the Group based on the requirements of the International Valuation Standards.

Based on the above qualifications and various experiences of Peak Vision and/or its members, the directors are of the view that Peak Vision is independent and competent to determine the fair values of the equity interest in Summer Mountain Group.

## 35. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

### (e) Fair value measurements (Continued)

#### (ii) Financial instruments measured at fair value (Continued)

##### Information about Level 3 fair value measurements (Continued)

The fair value of the equity interest in Summer Mountain Group was determined by the market approach, by reference to average fair values as determined by the Adjusted EV to EBIT Ratio and Adjusted P/E Ratio of the market comparables, discounted by the lack of marketability discount. The fair value measurement is positively correlated to Adjusted EV to EBIT Ratio and Adjusted P/E Ratio, and negatively correlated to the lack of marketability discount.

##### Sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in one of the key unobservable inputs, with all other variables held constant, of the Group's profit before tax:

Key unobservable inputs	Year ended 31 December 2024		Year ended 31 December 2023	
	Increase/ (decrease) in key unobservable inputs	Increase/ (decrease) in profit before tax	Increase/ (decrease) in key unobservable inputs	Increase/ (decrease) in profit before tax
EV to EBIT Ratio	5%/(5%)	397/(397)	5%/(5%)	365/(365)
P/E Ratio	5%/(5%)	297/(297)	5%/(5%)	365/(365)
Lack of marketability discount	5 percentage points/ (5 percentage points)	(873)/873	5 percentage points/ (5 percentage points)	(918)/918

The movements during the year in the balance of these Level 3 fair value measurements are as follows:

	2024 HKD'000	2023 HKD'000
<b>Equity interest in Summer Mountain Group:</b>		
At 1 January	14,603	—
Additions by transferring from deposits paid (Note 18(a))	—	13,668
Fair value adjustments	177	837
Exchange alignment recognised in profit or loss	(287)	98
At 31 December	14,493	14,603





## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 36. MAJOR NON-CASH TRANSACTIONS

During the year ended 31 December 2024, the Group did not have material non-cash transactions.

During the year ended 31 December 2023, the Group had the following major non-cash transactions:

- The equity interest in Summer Mountain Group of approximately HKD13,668,000 was initially recognised in financial assets at fair value through profit or loss by transferring the same amount from the deposits paid (Note 18(a));
- The equity interest in a private fund of approximately HKD16,000,000 was initially recognised in financial assets at fair value through profit or loss by transferring the same amount from the deposits paid (Note 18(b)); and
- As disclosed in Note 24, on 30 June 2023, the promissory notes holders surrendered the promissory notes. The resulting gain on surrender of promissory notes of approximately HKD574,716,000 was recognised to profit or loss for the year ended 31 December 2023.

### 37. CAPITAL COMMITMENT

As at 31 December 2024 and 2023, the Group did not have material capital commitments.

### 38. EVENTS AFTER THE REPORTING PERIOD

On 3 March 2025, the Board proposed to implement a share consolidation whereby every twenty (20) issued and unissued shares of the Company will be consolidated into one (1) consolidated share (the "Share Consolidation").

An extraordinary general meeting will be convened and held for the shareholders of the Company to consider and, if thought fit, approve the Share Consolidation on 27 March 2025. Details are set out in the circular of the Company dated 12 March 2025.

Apart from the events as disclosed above and elsewhere in the consolidated financial statements, the Group did not have other material events after the reporting period and up to the date of this report.