2024
ANNUAL REPORT

FINGER TANGO

FingerTango Inc.
指尖悅動控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 6860

CONTENTS

Corporate Information

DIRECTORS

Executive Directors

Dr. CHAN Man Fung (陳文鋒) *(Chairman)*
(appointed as Chairman on 10 January 2025)
Ms. LI Nini (李妮妮) *(Chief Executive Officer)*
(appointed as executive director on 5 December 2024 and appointed as Chief Executive Officer on 10 January 2025)
Mr. LIU Jie (劉傑) (resigned on 16 December 2024)

Independent Non-executive Directors

Mr. CHOW Wing Yiu (周永堯)
Mr. JIANG Huihui (江輝輝)
Mr. SHIN Ho Chuen (單浩銓)

AUDIT COMMITTEE

Mr. CHOW Wing Yiu (周永堯) *(Chairperson)*
Mr. JIANG Huihui (江輝輝)
Mr. SHIN Ho Chuen (單浩銓)

REMUNERATION COMMITTEE

Mr. JIANG Huihui (江輝輝) *(Chairperson)*
Dr. CHAN Man Fung (陳文鋒)
Mr. SHIN Ho Chuen (單浩銓)

NOMINATION COMMITTEE

Ms. LI Nini (李妮妮) *(Chairlady)*
(appointed on 16 December 2024)
Mr. JIANG Huihui (江輝輝)
Mr. SHIN Ho Chuen (單浩銓)
Mr. LIU Jie (劉傑) (resigned on 16 December 2024)

AUTHORIZED REPRESENTATIVES

Dr. CHAN Man Fung (陳文鋒)
Ms. CHIK Wai Chun (戚偉珍)

COMPANY SECRETARIES

Ms. CHIK Wai Chun (戚偉珍)

AUDITOR

OOP CPA & Co.
Certified Public Accountants
Registered Public Interest Entity Auditor
Unit A, 21/F, LL Tower
2–4 Shelley Street, Central
Hong Kong

REGISTERED OFFICE IN THE CAYMAN ISLANDS

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Cayman Islands

HEADQUARTERS

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PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited

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Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services limited

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17/F, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

PRINCIPAL BANK

China Merchants Bank Co. Ltd.

Guangzhou Gaoxin Branch
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Guangzhou
PRC

COMPANY WEBSITE

www.fingertango.com

STOCK CODE

6860

LISTING DATE

12 July 2018

Five Year Financial Summary

A summary of the Group's operating results, assets and liabilities for the last five financial years, is set out below.

Condensed Consolidated Statement of Profit or Loss

	Year ended 31 December				
	2020	2021	2022	2023	2024
	RMB' Million	RMB' Million	RMB' Million	RMB' Million	RMB' Million
Revenue	748.2	613.0	832.5	646.1	609.2
Gross Profit	464.0	360.8	529.8	371.9	345.9
Profit/(loss) for the Year	127.6	(517.4)	(139.4)	6.8	32.8
Non-IFRS Measures					
Adjusted profit/(loss) for the Year	135.8	(515.6)	(139.4)	6.8	32.8

Condensed Consolidated Statement of Financial Position

	As at 31 December				
	2020	2021	2022	2023	2024
	RMB' Million	RMB' Million	RMB' Million	RMB' Million	RMB' Million
Non-current assets	149.1	214.3	149.1	186.8	241.3
Current assets	1,491.5	973.8	907.1	825.1	761.0
Current liabilities	209.6	268.9	259.4	212.4	173.5
Net current assets	1,281.9	704.9	647.7	612.7	587.5
Non-current liabilities	0.3	24.9	19.1	13.8	7.3
Total equity	1,430.7	894.3	777.8	785.7	821.4

Chairman's Statement

To all Shareholders,

The complex and changeable international situation in recent years has brought unprecedented challenges to the global economy, resulting in limited production and research and development of enterprises and decline in willingness and ability to consume, thereby inhibiting industry growth momentum. Although China's game industry is under various pressures, it is actively responding, striving to find and create development opportunities.

To cope with the changing market conditions and regulatory environment of the Chinese gaming market, the Company drew on its strong operating capability as well as keen market insight and extensive industry experience of senior management team and responded rapidly. We're pleased to see a positive outcome on our operation as profits surged year over year and our registered game users and paying users continued to expand.

In the past year, the Company was striving for the sustainable development of business and actively laying a foundation for healthy growth in the future despite the challenges. Looking ahead, while adhering to the original aspirations with commitment, ambition and perseverance, we will also continue to stride forward against adversity, be so deeply versed and accumulated as to be able to present it with ease, and through which we aspire to turn to a new chapter in the Group's development.

On behalf of the Board, I would like to express my gratitude to all our staff and the management team for their commitment for excellence and valuable contribution. I would also like to thank all of our Shareholders, users and business partners, and wish for their continuous support in the future.

CHAN Man Fung
Chairman and Executive Director

Management Discussion and Analysis

MARKET OVERVIEW

According to the China Gaming Industry Report for 2024* (2024年中國遊戲產業報告) issued by the Game Publishers Association Publications Committee (GPC) of the China Audio-video and Digital Publishing Association (中國音數協遊戲工委) and China Game Industry Research Institute (中國遊戲產業研究院), China's game industry saw a steady growth, amid the sluggish global game industry. In 2024, the actual sales revenue from China's gaming market was RMB325.78 billion, representing an increase of 7.5% year-on-year. The actual sales revenue from China's mobile game market, which occupies approximately three quarters of the whole gaming market in China, was RMB238.22 billion, representing an increase of 5.0% year-on-year and at a new historical high. In 2024, the number of game users reached 674 million, a year-on-year increase of 0.94%, which was also a new all-time high.

The steady growth in the sales revenue and game users of China's game market was mainly attributed to more new games released during the year, with many blockbusters hitting the market, while several lasting appeal games still maintained stable operations; and the growth in both the sales revenue and users of the game market as multi-platform distribution and cloud gaming enhanced the convenience of game consumption for users. In addition, the regulatory authorities continued to take strict management measures on the protection of minors and the anti-addiction work of online games, which promoted the standardized management of the game industry and propelled the user structure towards healthy and reasonable.

In 2024, the actual sales revenue of China's self-developed games in the domestic market was RMB260.736 billion, registering a 1.70% year-on-year growth. However, the growth rate slowed down, mainly due to the intensified market competition, which caused a continuous increase in research and development as well as customer acquisition costs. That same year, the actual sales revenue of China's self-developed games in overseas markets amounted to US$18.557 billion, growing by 13.39% year-on-year. Its scale has surpassed RMB100 billion for five consecutive years and reached a new all-time high. Despite the slowdown in the growth rate of the global game market and the increasingly fierce competition in the international arena, domestic game enterprises responded proactively and still achieved remarkable performance.

BUSINESS REVIEW

During the Reporting Period, the Group recorded total revenue of approximately RMB609.2 million, a decrease of approximately 5.7% as compared to the corresponding period last year. Decrease in revenue was mainly attributable to the combined effect of (i) total revenue during the Reporting Period was partially offset by a natural drop of revenue from the classic games which have been in operation for years and are in their mature stage; and (ii) uncertain outcome of advertising and promotion activities.

During the Reporting Period, profit attributable to owners of the Company surged to approximately RMB32.8 million, comparing to approximately RMB6.8 million for the corresponding period of last year. The surge in profit was primarily due to (i) the decrease in selling and marketing expenses as the Company has adjusted the promotion channels and engaged in less advertising and promotion activities for certain mobile games during the Reporting Period; (ii) the decrease in research and development expenses which primarily attributable to the decrease in employee benefit expenses; and netting off by (iii) the decrease in other income, gains and losses was mainly due to the decrease in the reversal of the loss allowance provision for notes and other receivables and the decrease in fair value changes on investments at fair value through profit or loss, which offset by the increase in interest revenue.

In view of the market conditions, we have made strategic adjustment and planning in the launch of our new games, and have been conducting comprehensive tests for the new titles launched during the Reporting Period. Deep optimization customizing to the players' evolving preferences was also conducted to ensure their sound performance upon official launch. On the other hand, new titles launched during the Reporting Period are still in the promotion period and the stage of incubation of player base. It is expected the growth momentum of the new games and their contribution to the revenue of the Company would be gradually unleashed in 2025 and after.

In response to the increasing unit cost and uncertain outcome of advertising and promotion activities, we have adapted and re-positioned to refine our game operations, and sought out innovative promotion channels.

The following table was the key performance indicators summary:

	Unit	2024	2023	Change
Average MAUs(Note 1)	Number of user	3,394,677	3,380,116	0.4%
Average MPUs(Note 2)	Number of user	105,604	136,192	(22.5%)
ARPPU(Note 3)	RMB	481	395	21.8%
Cumulative registered users	Number of user (million)	261	232	12.5%

Note 1: Average MAUs is the average monthly active users.

Note 2: Average MPUs is average monthly paying users.

Note 3: ARPPU is the average revenue per month per paying user.

The level of game monetization has continued to reflect our strengths and keen ability. Despite a approximately 22.5% decline in average monthly paying users to 105,604, average revenue per paying user rose significantly by approximately 21.8% from RMB395 to RMB481, showcasing improved monetization strategies. As at 31 December 2024, the total number of cumulative registered users maintained a steady growth and reached approximately 261 million, representing a growth by approximately 12.5% as compared to the corresponding period last year. The enormous user base enables us to better understand player preferences and market changes through strong data analytics ability, so as to launch new games with higher popularity in the market, and to conduct targeted marketing with more cost-effective strategies.

OUTLOOK FOR 2025

The current approval policy of online game publication and increasingly strict license censorship for games launched in China will result in a more regulated game industry. Specifically, the limitation on approval has driven game developers and operators to be more innovative, producing more premium products. Due to the lagging effect of the new policy, it will take a certain time for the industry to adjust their strategies and operations before the growth impetus is in full play in future.

Adherence to and focus on long lifecycle products, the concept of continuous operation with long-term flow, and constant offer of new gameplay to extend product lifecycle — these are our initial intention and our advantage and development strategy. In the face of a complex and changing market environment, we will always insist on developing products with the first-class technology, optimizing game in full dimension, and extending the lifecycle of our games with the continuous enriched and enhanced player experience, thereby improving the ability to monetization and continuing to generate stable revenue for the Company.

We are conducting comprehensive tests for the new titles to be launched in 2025 while optimizing product launch strategies and plans. Over the years, we have accumulated an immense user database. We will continue to leverage our big data analytics ability with our proprietary multi-dimensional data analysis engine which collates and structures our data in a variety of ways for ad-hoc analysis, real-time on-line analysis. Moreover, we will enhance gameplay strategies, characters, scenes, technical depth, and other parameters and improve cross-promotion efficacy by analyzing player demographic, gameplay preference, gaming time, level-up, in-game purchase amount and user turnover rate, etc. These initiatives are being performed to ensure sound performance after the official launch.

In the past year, the Company was striving for the sustainable development of business and actively laying a foundation for healthy growth in the future despite the challenges. Looking ahead, we will continue to extend our existing game portfolio and broaden our game category while focusing on the SLG game segment. We will implement the concept of “Premium Game” and strive to create high-quality games. While adhering to the original aspirations with commitment, ambition and perseverance, we will also continue to stride forward against adversity, be so deeply versed and accumulated as to be able to present it with ease, and through which we aspire to turn to a new chapter in the Group’s development.

FINANCIAL PERFORMANCE

Revenue

For the Reporting Period, the Group recorded total revenue of approximately RMB609.2 million, representing a decrease of approximately RMB37.0 million or approximately 5.7% compared to approximately RMB646.1 million in 2023. This decline was primarily driven by reduced revenue contributions from both self-publishing and co-publishing segments. Revenue from self-publishing decreased from approximately RMB328.1 million in 2023 to approximately RMB324.1 million in 2024, representing a slightly decrease in approximately 1.2%, while co-publishing revenue fell from approximately RMB318.0 million to approximately RMB285.0 million, representing a decrease in approximately 10.4%, during the same period.

The decrease in revenue from classic games can be attributed to several factors including (i) mature stage of games: classic games, having been in operation for years, naturally reach a mature stage where their revenue peaks and then declines. This is a common lifecycle phenomenon in the gaming industry, where games experience high initial revenue followed by gradual decline as they age and lose popularity; (ii) changing player preferences: over time, player preferences evolve, and new games with innovative features and gameplay mechanics attract more attention. Classic games may not keep pace with these changing preferences, leading to reduced engagement and revenue; (iii) competition from new releases: The gaming market is highly competitive, with new titles constantly being released. These new games often capture market attention and player spending, further reducing the revenue from older classic games; and (iv) the adjustment on the strategy of advertising and promotion activities. The Group has enhanced efficiency and effectiveness in advertising and promotion, saving approximately 27.0% of selling and marketing expenses while only approximately 5.7% decrease in revenue.

For the Reporting Period, the self-publishing revenue was approximately RMB324.1 million, representing approximately 53.2% of the total revenue, and co-publishing revenue was approximately RMB285.0 million, representing approximately 46.8% of the total revenue. In 2023, self-publishing accounted for approximately 50.8% of total revenue, while co-publishing contributed about 49.2%.

Cost of Revenue

The cost of revenue in the Reporting Period was approximately RMB263.3 million and decreased by approximately 4.0% or approximately RMB10.9 million as compared to approximately RMB274.2 million in the corresponding period last year. It was mainly because the decrease in platform sharing charges and the commissions charged by game developers as total revenue decreased in the Reporting Period.

Gross Profit and Gross Profit Margin

During the Reporting Period, gross profit was approximately RMB345.9 million, as compared to approximately RMB371.9 million in the corresponding period last year. Gross profit margin decreased from approximately 57.6% to approximately 56.8% as compared to the corresponding period last year, since the magnitude of the decrease in revenue is more than that of the decrease in cost.

Selling and Marketing Expenses

The key reasons that the Group incurred significant selling and marketing expenses during 2024, 2023 and the previous years were: (i) the nature of business — the revenue generated from the Group's business (through, among others, publishing licensed online games to players on platforms) hinges upon the number of mobile game customers, the acquisition and retention of which requires substantial advertising activities and cost; (ii) the highly competitive market and rising user acquisition cost — in light of the highly competitive Chinese mobile game market, the Group places heavy emphasis on user acquisition which involves substantial spending on performance marketing, influencer partnerships and app store optimisation to gain visibility on many different mobile application platforms, as well as investments in advertisement technology and marketing services for targeted campaigns; and (iii) game launch costs — given the regulatory challenges in game approvals in China, significant promotion expenses are incurred for newly approved game titles in line with the market practice to capitalise on the limited window of opportunity.

Key components/nature of selling and marketing expenses	FY2024 RMB'000	FY2023 RMB'000
Promotion expenses	222,388	299,609
Salaries and staff welfare	447	4,929
Lease expenses	180	137
Office expenses	11	484
Depreciation and amortization	—	528
Others	—	3
Total selling and marketing expenses	223,026	305,690

The Group's selling and marketing expenses decreased from approximately RMB305.7 million in 2023 to approximately RMB223.0 million in 2024, representing a reduction of approximately 27.0%. This significant decrease can be attributed to two primary factors (i) maturation of existing game portfolio: a substantial portion of our published mobile games have entered their mature stage, having been in operation for several years since their initial launch. As these games have established a stable user base, they require less intensive marketing efforts, leading to a natural reduction in associated expenses; and (ii) delayed new game launches: The Group experienced a slower progress in obtaining regulatory approvals for new game launches. This delay resulted in a decrease in advertising expenditures typically allocated for promoting new titles.

These factors combined to create a more conservative marketing approach, aligning with the Group's strategic focus on optimizing operational efficiency and resource allocation. Despite the decrease in marketing expenses, we continued to refine our game operations and explore innovative promotion channels to maintain user engagement.

Administrative Expenses

The administrative expenses of the Group slightly increased by approximately 2.9% from approximately RMB51.6 million to approximately RMB53.1 million for the Reporting Period compared to the corresponding period last year. There was no significant change in the administrative expenses of the Group.

Research and Development Expenses

The research and development expenses of the Group in the Reporting Period were approximately RMB64.7 million, decreased by approximately 8.8% or approximately RMB6.2 million as compared to approximately RMB70.9 million in the corresponding period last year. The decrease was primarily attributable to the decrease in employee benefit expenses.

Other Income, Gains and Losses

The other income, gains and losses of the Group decreased by 52.5%, from approximately RMB72.4 million (restated) to approximately RMB34.4 million for the Reporting Period compared to the corresponding period last year. The decrease in other income, gains and losses was mainly due to combined effect of increase in interest revenue from bank deposits and recovery of loan interest income and net off of (i) decrease in fair value gain on investments at fair value through profit or loss; (ii) decrease in government grant; and (iii) decrease in other income from reversal of loss allowance provision for notes and other receivables which was non-recurring items and subject to the result of legal and recovery actions.

Income Tax Expense

Although the profit before income tax increased from approximately RMB15.0 million in 2023 to approximately RMB38.5 million in 2024, the income tax expense decreased from approximately RMB8.2 million to approximately RMB5.7 million for the Reporting Period compared to the corresponding period last year. The decreased in income tax expense was mainly due to the more portion of profit generated in the subsidiaries which have a tax benefit in lower tax rate and utilization of the tax loss asset.

Profit for the Year

During the Reporting Period, profit attributable to owners of the Company surged to approximately RMB32.8 million, comparing to approximately RMB6.8 million for the corresponding period of last year. The surge in profit was primarily due to (i) the decrease in selling and marketing expenses as the Company has adjusted the promotion channels and engaged in less advertising and promotion activities for certain mobile games during the Reporting Period; (ii) the decrease in research and development expenses which primarily attributable to the decrease in employee benefit expenses; and netting off by (iii) the decrease in other income, gains and losses was mainly due to the decrease in reversal of loss allowance provision for notes and other receivables and the decrease in fair value changes on investments at fair value through profit or loss, which offset by the increase in interest revenue.

Intangible Assets

The intangible assets of the Group increased from approximately RMB12.7 million in 2023 to approximately RMB39.0 million in 2024. This increase was primarily due to the acquisition of five mobile games. The Group continues to seek promising game projects to enhance its game portfolio. Following acquisition, the Group's experienced team will undertake creative adaptations and optimizations to improve game performance and commercialization potential. The Group expects these upgraded games can be marketed to generate additional revenue opportunities for the Group.

Time Deposits

The total time deposits in non-current assets and current assets were approximately RMB319.2 million. This reflects the Group's strategic approach to cash management and financial prudence. The key purpose of the cash management was the enhancement of the overall return on the cash assets of the Group by allocating a portion of its excess liquidity to time deposits while maintaining a conservative risk profile to earn a higher yield compared to standard savings accounts. The interest rate of the bank interest income for time deposits was between 1.75% to 5.29%.

Prepayments and Deposits

The prepayments for purchase of licenses were slightly decreased by approximately 2.9% from approximately RMB29.6 million in 2023 to approximately RMB28.7 million for the Reporting Period. The provision for impairment of approximately RMB18.1 million (2023: approximately RMB20.8 million) was mainly related to the prepayment for purchase of licenses. During the Reporting Period, there was a reversal of approximately RMB2.0 million of accumulated impairment contributed by recovery of the relevant payment and a written off of approximately RMB0.7 million of accumulated impairment due to the compromise and settlement with the game licenses supplier.

The prepayments to game developers increased by approximately RMB3.4 million from approximately RMB14.3 million in 2023 to approximately RMB17.7 million in 2024. The increase of prepayments to game developers was mainly due to the payment of approximately RMB3.4 million to game developer for maintenance and update of one of our existing mobile games.

The prepayments for promotion expenses decreased by approximately 19.0% from approximately RMB55.0 million in 2023 to approximately RMB44.5 million in 2024. The decrease was mainly due to (i) decrease of promotion supplier and the relevant amount which was consistent with the decrease of selling and marketing expenses; and (ii) the utilization of the existing prepayment for promotion expenses.

The provision for impairment for prepayments for promotion expenses and prepayments to game developers were decreased from approximately RMB45.0 million in 2023 to approximately RMB38.4 million in 2024. The decrease was due to the utilization of the promotion services and the recovery of the payment.

The reasons for significant amounts of provision for impairment for prepayments for purchase of licenses, prepayments for promotion expenses and prepayments to game developers mainly arose from (i) business failure including the suspension of updates, operation and legal risk arrived from copyright issues of the operations of game license providers; (ii) the significant delay of development status of some game developers in delivering the completed mobile game (which happened in the gaming industry as the returns are always uncertain despite significant upfront investments); (iii) refusal or delay in refund of the amount of prepayment of some game developers after the termination of contract; and (iv) the delay or inability to deliver advertising activities by the service provider due to operational challenges caused by the pandemic. Due to the uncertainty of the services, game developments and game licenses, the impairment allowance was provided for the prepayments made to game license providers, game developers and advertising services providers.

For the impaired prepayments to game license providers and game developers, the Group has actively engaged in communication with all such game license providers and game developers. Upon learning that game license providers and game developers were facing operational difficulties and the legal department assessed that pursuing legal action to recover the prepayments would require significant time and legal costs. The Group adopted a proactive communication approach to explore whether those game license providers and game developers could provide alternative resources, such as artistic materials, text content, game scripts, or other artistic assets, to recover the impaired prepayments. Where the game developers refused to cooperate by submitting all available artistic resources for the games in development, the Group has taken legal actions against the game developers after the assessment of the Group's legal and compliance department to seek compensation, to recover the impaired prepayments; and the relevant services of the impaired prepayments to advertising service providers were reactivated and the relevant services were utilized to provide benefit to the Group.

Other Receivables

Except for the finance lease receivables, there was no significant movement on the other receivables. The increase in loans to third parties was due to the exchange rate effect. The provision of expected credit losses increased from approximately RMB381.2 million in 2023 to approximately RMB387.1 million in 2024. The increase was due to the combined effects of (i) increased approximately RMB7.0 million in exchange effect; (ii) additional provision of approximately RMB0.2 million; and net off by (iii) reversal of approximately RMB1.3 million of expected credit loss by the recovery of interest receivables.

Liquidity and Source of Funding and Borrowing

As at 31 December 2024, current assets of the Group amounted to approximately RMB761.0 million, including cash and cash equivalents of approximately RMB352.1 million, time deposits of approximately RMB289.2 million, and other current assets of approximately RMB119.7 million. Cash and cash equivalents decreased by approximately 34.1% as compared with approximately RMB534.5 million as at 31 December 2023, primarily due to the strategic reallocation of funds to time deposits.

The Group's total time deposits increased to approximately RMB319.2 million as at 31 December 2024 (2023: Nil), comprising approximately RMB289.2 million in current assets and RMB30.0 million in non-current assets. This allocation represents a prudent approach to cash management, allowing the Group to earn higher returns on excess cash while maintaining appropriate liquidity for operational needs.

Current liabilities of the Group amounted to approximately RMB173.5 million, including trade payables and contract liabilities of approximately RMB99.6 million and other current liabilities of approximately RMB73.9 million. As at 31 December 2024, the current ratio (the current assets to current liabilities ratio) of the Group was 4.4, as compared with 3.9 as at 31 December 2023, indicating an improved liquidity position despite the reallocation of cash to time deposits.

Gearing ratio is calculated on the basis of total borrowings (net of cash and cash equivalents) over the Group's total equity. The Group does not have any bank borrowings and other debt financing obligations as at 31 December 2024 and the resulting gearing ratio is nil. The Group intends to finance the expansion, investments and business operations with internal resources.

Contingent Liabilities

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

Pledge of Assets

As at 31 December 2024, none of the Group's assets was pledged.

Foreign Exchange Risk

The income of the Group was principally and mostly denominated in RMB. The Group will continue to monitor its foreign exchange risk exposure to best preserve the Group's cash value. As at 31 December 2024, the Group did not enter into any hedging transactions.

Investments at Fair Value through Profit or Loss

As at 31 December 2024, investments at fair value through profit or loss recorded approximately RMB128.4 million. Details of investments at fair value through profit or loss for the Reporting Period are shown as below.

	Fair value as at 31 December 2023 RMB million	Increases for the year ended 31 December 2024 RMB million	Changes in fair value for the year ended 31 December 2024 RMB million	Settlements for the year ended 31 December 2024 RMB million	Currency translation difference for the year ended 31 December 2024 RMB million	Fair value as at 31 December 2024 RMB million
Investments at fair value through profit or loss						
Listed equity securities in Hong Kong	23.1	–	(6.4)	(9.5)	0.2	7.4 (Note 1)
Wealth management product:						
Central China Dragon Growth Fund SP7* (中州龍騰增長七號基金)	75.6	–	3.9	–	1.2	80.7
Private equity investment fund Boniu Yuedong* (博牛悅動專享私募證券投資基金)	40.0	–	0.3	–	–	40.3
Non-capital protected wealth management products Placed on:						
Shanghai Pudong Development Bank Co., Ltd.*	30.0	60.0	–	(90.0)	–	–
Industrial Bank Co., Ltd.*	30.0	60.0	–	(90.0)	–	–
China Merchants Bank Co., Ltd.	30.0	30.0	–	(60.0)	–	–
China Guangfa Bank Co., Ltd.*	30.0	60.0	–	(90.0)	–	–
Total	258.7	210.0 (Note 2)	(2.2)	(339.5) (Note 3)	1.4	128.4

Notes:

(1) The listed equity securities in Hong Kong included 16,962,000 shares of China Gas Industry Investment Holdings Co. Ltd. (Stock Code: 1940) ("**CGII Shares**") acquired on the open market. For further details of the acquisitions of CGII Shares, please refer to the announcement of the Company dated 15 March 2021.

(2) During the year, all the acquisition of non-capital protected wealth management products were classified as discloseable transactions under Chapter 14 of the Listing Rules, as the applicable percentage ratios exceeded 5% but were less than 25%. For details, please refer to the announcements of the Company dated on 24 January 2024, 6 February 2024, 27 February 2024, 22 May 2024, 23 May 2024 and 17 June 2024.

(3) Settlements totaled RMB339.5 million, comprising (i) RMB330.0 million in redemptions upon maturity of non-capital protected wealth management products, and (ii) RMB9.5 million from the disposal of listed securities on 28 March 2024. Reference made to the announcement dated 28 March 2024, the Company disposed of 8,706,500 shares of New Sparkle Roll International Group Limited (Stock Code: 970) at an aggregate consideration of approximately HK$10.45 million (equivalent to RMB9.5 million).

Significant Investments Held

During the Reporting Period, the Group had the following significant investment held with a value of 5% or more of the Company's total assets:

Name of the investments	Investment costs RMB million	Fair value as at 31 December 2023 RMB million	Fair value as at 31 December 2024 RMB million	Percentage of investments held as at 31 December 2024 (%)	Size as compared to the Group's total assets as at 31 December 2024 (%)	Realised gain/(loss) during the Reporting Period RMB million	Unrealised gain/(loss) during the Reporting Period RMB million	Dividend received during the Reporting Period RMB million
Central China Dragon Growth Fung SP7* (中州龍騰增長七號基金) (Note)	88.3	75.6	80.7	29.2%	8.1%	–	5.1	–

Note: Central China Dragon Growth Fund SPC is an exempted Segregated Portfolio Company incorporated in the Cayman Islands on 20 July 2016. The investment objective of the fund is to provide investors with a stable total return through a combination of current income and capital appreciation through providing loans to suitable investment target.

The Group has adopted an investment strategy with the aim of effectively managing and enhancing the return on its cash reserves. This strategy is being implemented while the Group contemplates its longer-term investments.

Save as disclosed above, the Group had no other significant investment held with a value of 5% or more of the Company's total assets as at 31 December 2024.

Future Plans for Material Investments or Capital Assets and Their Expected Sources of Funding

Save as disclosed in this annual report, the Group did not have other plan for material investments or acquisition of material capital assets as at 31 December 2024.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

The Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during the Reporting Period.

Employee Remuneration and Relations

As at 31 December 2024, the Group had a total of 245 employees, comparing to 301 employees as at 31 December 2023. The total staff costs (including fees, salaries and other allowance for both Directors and other staff) for the Reporting Period were approximately RMB96.9 million (2023: approximately RMB103.0 million). The Group provides employees with competitive remuneration and benefits, and the Group's remuneration policies are formulated according to the assessment of individual performance and are periodically reviewed. The Group provide training programs to employees, including new hire training for new employees and continuing technical training primarily for our research and development team and game operation team to enhance their skill and knowledge.

Directors' Report

The Board is pleased to present its report together with the audited consolidated financial statements of the Group for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES AND ANALYSIS OF OPERATIONS

The Company is an investment holding company. The Group is a leading mobile game publisher and a pioneer in the SLG game publishing industry in China. Details of the principal activities of the principal subsidiaries of the Company are set out in Note 17 to the consolidated financial statements. An analysis of the Group's revenue and operating profit for the Reporting Period by principal activities is set out in the section headed "Management Discussion and Analysis" in this annual report.

BUSINESS REVIEW

A fair review of the Group's business during the year, which includes a discussion of the principal risks and uncertainties faced by the Group, an analysis of the Group's performance using financial key performance indicators, particulars of important events affecting the Group during the year and an indication of likely future developments in the Group's business, could be found in the sections headed "*Chairman's Statement*", "*Management Discussion and Analysis*" and "*Corporate Governance Report*" in this annual report. In addition, a discussion on relationships with its key stakeholders is included in the section headed "Management Discussion and Analysis". The review and discussion form part of this directors' report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is highly aware of the importance of environment protection and has not noted any material incompliance with all relevant laws and regulations in relation to its business including health and safety, workplace conditions, employment and the environment. The Group has implemented environmental protection measures and has also encouraged staff to be environmental friendly at work by consuming the electricity and paper according to actual needs, so as to reduce energy consumption and minimize unnecessary waste. Further details of the Group's environmental policies and performance will be disclosed in the environmental, social and governance report of the Company for the year ended 31 December 2024 contained in this annual report.

COMPLIANCE WITH LAWS AND REGULATIONS

The Company is incorporated in the Cayman Islands with its shares listed on the Main Board of the Stock Exchange. The Group's subsidiaries are incorporated in the British Virgin Islands, Hong Kong and China. The Group's operations are mainly carried out by the Group's subsidiaries in China. Our establishments and operations accordingly shall comply with relevant laws and regulations in the Cayman Islands, the British Virgin Islands, China and Hong Kong. During the year under review, the Company was not aware of any non-compliance with any relevant laws and regulations that had a significant impact on the Group.

RELATIONSHIPS WITH KEY STAKEHOLDERS

The Directors are of view that maintaining a good working relationship with its employees, customers, suppliers and other stakeholders are the keys to the sustainable development of the Group. During the year, there was no significant dispute between the Group and its employees, customers, suppliers and other stakeholders.

RESULTS AND DIVIDEND

The consolidation results of the Group for the year ended 31 December 2024 are set out on pages 149 to 207 of this annual report.

The Board does not recommend payment of a final dividend for the year ended 31 December 2024 (31 December 2023: Nil).

No interim dividend for the six-month period ended 30 June 2024 was declared and paid to the shareholders of the Company (six months ended 30 June 2023: Nil).

CLOSURE OF THE REGISTER OF MEMBERS

The annual general meeting will be held on Thursday, 12 June 2025 (the "**Annual General Meeting**").

For determining the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Monday, 9 June 2025 to Thursday, 12 June 2025, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, all transfers of shares documents, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrars in Hong Kong, Computershare Hong Kong Investor Services Limited, located at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Friday, 6 June 2025.

FIVE YEAR FINANCIAL SUMMARY

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

TAX RELIEF AND EXEMPTION

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

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the memorandum and Articles of Association and the Companies Laws of the Cayman Islands.

PROPERTY AND EQUIPMENT

Details of the movements in property and equipment of the Group during the Reporting Period are set out in Note 14 to the consolidated financial statements on page 187 of this annual report.

SHARE CAPITAL

Details of the movements in share capital of the Company during the year ended 31 December 2024 are set out in Note 29 to the consolidated financial statements on page 201 of this annual report.

As at 31 December 2024, the Company did not hold any such treasury shares (as defined in Rule 1.01 of the Listing Rules).

SHARE PREMIUM AND RESERVES

Details of the movements in the share premium and reserves of the Group and of the Company during the year ended 31 December 2024 are set out in consolidated statement of changes in equity and Note 31 to the consolidated financial statements on page 152 and pages 203 to 206, respectively of this annual report.

DISTRIBUTABLE RESERVES

The Company's total distributable reserves as at 31 December 2024 amounted to nil.

BORROWINGS

As at 31 December 2024, the Company did not have any bank borrowings.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

There was no purchase, sale or redemption of any of the Company's listed securities (including sale of treasury shares) by the Company or its subsidiaries during the Reporting Period.

EVENTS AFTER THE REPORTING PERIOD

On 16 January 2025, the Company received the statement of disciplinary action (the "**Statement of Disciplinary Action**") issued by the Stock Exchange in relation to the disciplinary action against the Company and eight former directors of the Company.

The Company confirmed that no former director(s) of the Company who is subject to the director unsuitability statement and/or the prejudice to investors' interests statement as referred to in the Statement of Disciplinary Action occupies any position as director or within senior management of the Company and its subsidiaries as at 21 January 2025.

For details, please refer to the announcements of the Company dated on 16 January 2025 and 21 January 2025.

USE OF PROCEEDS

The net proceeds of approximately HK$967.1 million (the "**Net Proceeds**") received from the Listing was used and are proposed to be used in a manner consistent with that disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus. Since the Listing Date and up to 31 December 2024, the utilization of the Net Proceeds and remaining balance (approximately HK$296.2 million) are set out below:

Intended use of the Net Proceeds	Percentage of the Net Proceeds for each intended usage %	Amount of the Net Proceeds for each intended usage HK$ million	Amount of the remaining Net Proceeds as at 31 December 2023 HK$ million	Amount of the Net Proceeds utilised during the year ended 31 December 2024 HK$ million	Amount of the remaining Net Proceeds as at 31 December 2024 HK$ million
Develop game sourcing capabilities and ensure us to acquire high quality game content	35%	338.5	273.5	(35.3)	238.2
Establish in-house game development team	25%	241.8	89.4	(51.6)	37.8
Fund marketing and promotional activities	20%	193.4	–	–	–
Expand into overseas markets and develop overseas operation	10%	96.7	–	–	–
Working capital and general corporate purposes	10%	96.7	38.6	(18.4)	20.2
Total	100%	967.1	401.5	(105.3)	296.2

The remaining Net Proceeds of approximately HK$296.2 million as at 31 December 2024 is expected to be applied in accordance with the planned use as previously disclosed by the Company in the Prospectus. After careful consideration, the Company has extended the utilization timeline for the coming two financial years. This adjustment responds to the heightened regulatory environment in China, where prolonged game approval timelines and stricter content requirements in game acquisitions and modified development approaches. For game sourcing, the extension of timeline allows for deeper evaluation of potential game. Regarding our in-house team development, the revised timeline accommodates the need to recruit developers with specialized expertise. The extended period will ultimately enable higher-quality execution of both initiatives while ensuring alignment with the evolving regulatory framework and market conditions.

DIRECTORS

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

Directors	Position
Dr. CHAN Man Fung (陳文鋒) (appointed as the Chairman on 10 January 2025)	Executive Director and Chairman
Ms. LI Nini (李妮妮) (appointed as executive Director on 5 December 2024 and appointed as Chief Executive Officer on 10 January 2025)	Executive Director and Chief Executive Officer
Mr. LIU Jie (劉傑) (resigned on 16 December 2024)	Executive Director, Chairman and Chief Executive Officer
Mr. CHOW Wing Yiu (周永堯)	Independent non-executive Director
Mr. JIANG Huihui (江輝輝)	Independent non-executive Director
Mr. SHIN Ho Chuen (單浩銓)	Independent non-executive Director

Biographical details of the current Directors and the senior management of the Group are set out on pages 44 to 46 in this annual report.

All Directors are appointed for a specific term of three years which may be extended as each and the Company may agree, subject to retirement by rotation and re-election at the annual general meeting in accordance with the Articles of Association.

Article 84 of the Articles of Association provides that at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but less than one-third) shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he/she retires.

Article 83(3) of the Articles of Association provides that any Director appointed by the Board to fill a casual vacancy on the Board or as an addition to the existing Board shall hold office until the first annual general meeting of the Company after his/her appointment, and be subject to re-election at such meeting.

UPDATES ON DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in the information of Directors and chief executives of the Company subsequent to 31 December 2023 and up to the date of this annual report are set out below:

Name of Director	Changes in information
Ms. LI Nini	• Appointed as an executive Director with effect from 5 December 2024.
	• Appointed as the chairlady of the Nomination Committee with effect from 16 December 2024.
	• Appointed as the Chief Executive Officer with effect from 10 January 2025.
Mr. LIU Jie	• Resigned as an executive Director, the chairman of the Nomination Committee, the Chairman and the Chief Executive Officer with effect from 16 December 2024.
Dr. CHAN Man Fung	• Appointed as the Chairman with effect from 10 January 2025.

In respect of the change in emoluments of Directors, please refer to Note 11 to the consolidated financial statements.

Save as disclosed above, the Directors confirmed that no other information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules during the year ended 31 December 2024 and up to the date of this annual report.

DIRECTORS' SERVICE CONTRACTS

Dr. CHAN Man Fung has entered into a service agreement with the Company for a term of three years commencing from 29 June 2023. Ms. LI Nini has entered into a service contract with the Company for a term of three years commencing from 5 December 2024.

Mr. JIANG Huihui has signed a letter of appointment with the Company for a term of three years with effect from 29 June 2023. Mr. CHOW Wing Yiu and Mr. SHIN Ho Chuen have signed an appointment letter with the Company, respectively, for a term of three years, with effect from 29 August 2023.

None of the Directors proposed for re-election at the forthcoming annual general meeting has entered into any 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).

CONTRACT WITH CONTROLLING SHAREHOLDERS

Other than disclosed in this annual report and in the section headed "Related Party Transactions" in Note 35 to the consolidated financial statements contained in this annual report, no contract of significance was entered between the Company or any of its subsidiaries and the Controlling Shareholders or any of its subsidiaries during the year ended 31 December 2024 or subsisted at the end of the year and no contract of significance for the provision of services to the Company or any of its subsidiaries by a Controlling Shareholder or any of its subsidiaries was entered into during the year ended 31 December 2024 or subsisted at the end of the year.

DIRECTOR'S INTERESTS IN TRANSACTIONS, ARRANGEMENT OR CONTRACT OF SIGNIFICANCE

Save as disclosed in the section "Connected Transactions" in this annual report, none of the Directors nor any entity connected with the Directors had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party subsisting during or at the end of the year ended 31 December 2024.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

The emoluments of the Directors and senior management of the Group are decided by the Board with reference to the recommendation given by the Remuneration Committee, having regard to the Group's operating results, individual performance and comparable market statistics.

Details of the Directors' emoluments and emoluments of the five highest paid individual in the Group are set out in Note 11(a) and Note 11(c) to the consolidated financial statements on pages 183 to 184 and page 185 of this annual report.

For the year ended 31 December 2024, no emoluments were paid by the Group to any Director or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the Directors has waived any emoluments for the year ended 31 December 2024.

Except as disclosed above, no other payments have been made or are payable, for the year ended 31 December 2024, by our Group to or on behalf of any of the Directors.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year ended 31 December 2024, none of the Directors or their respective associates (as defined in the Listing Rules) had any interest in a business that competed or was likely to compete, either directly or indirectly, with the business of the Group, other than being a director of the Company and/or its subsidiaries.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

Save as disclosed in this annual report, the Company does not have any disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

DEED OF NON-COMPETITION

Each of the Controlling Shareholders entered into the deed of non-competition ("**Deed of Non-competition**") in favour of the Company, pursuant to which the Controlling Shareholders have irrevocably, jointly and severally given certain non-competition undertakings to the Company. Details of the Deed of Non-competition are set out in the section headed "Relationship with our Controlling Shareholders — Deed of Non-competition" in the Prospectus.

During the Reporting Period, no written notice of any New Opportunity (as defined in the Deed of Non-competition) had been received by the Company. The Controlling Shareholders confirmed that they have complied with the Deed of Non-competition for the year ended 31 December 2024 (the "**Confirmation**"). Upon receiving the Confirmation, the independent non-executive Directors of the Company have reviewed the same as part of the annual review process. In view of the above, the independent non-executive Directors have confirmed that, as far as they can ascertain, there is no breach by any of the Controlling Shareholders of the non-competition undertakings in the Deed of Non-competition given by them.

MANAGEMENT CONTRACTS

Other than the Directors' service contracts and appointment letters, no contract concerning the management and administration of the whole or any substantial part of the business of the Group was entered into or in existence as at the end of the year or at any time during the year ended 31 December 2024.

MATERIAL LEGAL PROCEEDINGS

Event of Default of Notes of the Issuer

The Company subscribed secured notes in the principal amount of HK$250,000,000 (the "**Notes**") issued by Orbitronic Global Development Co., Limited (the "**Issuer**") on 13 December 2019, the maturity date of the Notes was extended from 12 December 2020 to 12 June 2021. For details, please refer to the announcements of the Company dated 13 December 2019, 12 December 2020 and 22 June 2021 respectively. Until the maturity date and up to 31 December 2024, the Issuer failed to repay the principal amount of the Notes together with the accrued interests on the Notes to the Company and such sums remained outstanding.

The Company underwent significant changes in the composition of its Board members between June to August 2023. The new Board is determined and committed to recover the outstanding Notes. In August 2023, the Company engaged a Hong Kong legal firm to issue a demand letter, accompanied by a draft writ of summons to the Issuer. Thereafter the Company and the Issuer engaged in discussions for the recovery process. Following the extensive efforts and communication by the new Board, discussions were held with Issuer regarding a settlement process.

In October 2023, the Company, the Issuer, and the sole shareholder of the Issuer entered into a deed of supplemental agreement (the "**Supplemental Agreement**"). Pursuant to the Supplemental Agreement, the said sole shareholder of the Issuer further agrees to pledge the 10,000 shares of the Issuer (representing 100% of the shares of the Issuer) as the further collateral for the Notes and the Company shall be entitled to immediate appointment of a receiver (the "**Receiver**") for all or any part of the collateral under the Notes. In November 2023, the Company appointed the receiver in order to better safeguard the collateral and the Company's interest in the Issuer. In February 2024, the Issuer further created a charge over trade and other receivables in favor of the Company, which was registered under the Company Ordinance. Through the efforts of the Receiver, the Issuer repaid the principal amount of approximately RMB11,000,000 during the Reporting Period. The Receiver is currently engaged in advanced negotiations with the Issuer to formalize a comprehensive settlement plan, especially the amount of interest, and binding settlement agreement (if necessary). The Receiver will continue to pursue the outstanding sums from the Issuer. The Board is confident in achieving a positive outcome in the ongoing recovery process.

The Company will make further announcement(s) as necessary to keep Shareholders informed of any material developments regarding the matters mentioned above.

Loans to Other Third Parties

During the period from May 2020 to March 2021, the Group granted loans to other third parties bearing interests ranging from 3% to 12% per annum with maturity term under one year. The balance of such loans to other third parties was RMB397,894,000 (in principal, before provision for expected credit losses) as at 31 December 2022. As at 31 December 2022, the loans to other third parties have been fully impaired on the basis that the loans are matured and aged over 1 year.

The Company has constantly followed up on the recovery of the loans for the purpose of safeguarding its assets, including instructing its legal advisers to take appropriate recovery actions against defaulted borrowers in March 2022 and May 2023 and negotiations with the borrowers for the settlement of the respective Loans. A special committee was established by the Company in April 2023 with authority and responsibility to follow up and chase for recovery of the outstanding loans.

Between June and August 2023, the Company experienced significant changes in its Board composition. The new Board is determined and committed to recovering the outstanding loans. In August 2023, the Company have instructed its legal advisers to take appropriate legal proceedings for loan recovery. After extensive efforts by the new Board, several discussions were held with the borrowers, The repayment status of the borrowers has made progress.

During 1 January 2023 to 31 December 2024, the outstanding principal amount of loans to third parties included approximately RMB11.1 million from Mosman King Limited, approximately RMB13.1 million from Brick Heads Limited, and approximately RMB17.1 million from Mr. SZE Ka Ho, all of these principals of loans have been fully repaid. During the same period, the Company received interest repayments on loans to third parties amounting to approximately RMB1.65 million from Mosman King Limited, approximately RMB0.85 million from Brick Heads Limited, and approximately RMB7.67 million from Mr. SZE Ka Ho.

Therefore, during 1 January 2023 to 31 December 2024, the Company recognized the reversal of loss allowance provision for loans to third parties amounting to approximately RMB40.3 million and for interest receivables of loans to third parties amounting to approximately RMB5.1 million.

The Company is continually monitoring the progress of repayments and will use its best endeavours to recover the outstanding loans. The Company has also instructed its legal representatives to advise on such action as considered necessary to recover all outstanding loans. On 31 October 2024, the Company together with its wholly-owned subsidiary, FT Entertainment Limited ("**FT Entertainment**") (collectively, the "**Plaintiffs**"), filed a writ of summons in the High Court of Hong Kong against China Good Fortune Limited ("**CGFL**"), a limited liability company incorporated in Hong Kong with Madam Ding Fangya as its sole director and shareholder at all material times (collectively, the "**Defendants**"), in relation to two loan agreements dated 11 June 2020 and 29 March 2021 totaling HK$26 million (equivalent to approximately RMB24 million) (the "**Loans**") advanced to CGFL. The Plaintiffs alleged that CGFL breached the terms of the Loans by failing to repay the outstanding principal and interest upon maturity. It is further alleged that the proceeds of the Loans were misapplied in breach of the terms of the Loans. While the litigation is ongoing, the Company remains confident in the merits of its claims and will pursue all available remedies to recover the amounts due. At the appropriate juncture, the Company and its directors will consider the appropriateness of the suggested action and shall keep the Shareholders abreast of any developments in this regard.

Petition from the Securities and Futures Commission

On 6 October 2023, the Company was served with a petition (the "**Petition**") from the Securities and Futures Commission ("**SFC**") regarding two corporate activities conducted by the Group. In the Petition, the SFC seeks, inter alia, that the Company shall appoint an external auditor (after consultation with the SFC) to review and prepare a report on its internal control procedures.

The Company experienced significant changes in its Board members between June and August 2023. In order to demonstrate the Company's commitment to ensuring the effectiveness of its internal control, the Company has engaged Moore Advisory Services Limited to conduct an independent investigation and review involving (a) assessment of the effectiveness of the Group's internal control procedures related to (i) the investment process over subscription of wealth management products and (ii) the lending process; and (b) identification of any deficiencies or weaknesses in the Company's due diligence processes, operational procedures, and internal control systems. The independent investigation and review is currently in the process of finalization, with the report expected to be completed by mid-2025. The findings of such investigation and review will assist the Company to identify any deficiency(ies) in its loans or investment approval procedures and internal control system and undertake corresponding improvements.

The Petition was originally to be heard at the High Court of Hong Kong on 23 May 2024. On 13 May 2024, the hearing for the Petition was ordered to be adjourned sine die with liberty to restore. On 29 July 2024, the Company was informed by the SFC of the restored hearing which has been fixed on 6 November 2024 at the High Court of Hong Kong and has subsequently been re-fixed for 14 November 2024. Upon the said hearing, an order was made by the High Court of Hong Kong granting leave for the SFC to amend the Petition, and including other case management directions (the "**Order**"). The Petition as amended (the "**Amended Petition**") has, among others, (i) added FT Entertainment Limited and Shanghai Youmin Networks Technology Limited* (上海遊民網絡科技有限公司) (together with the Company, the "**Relevant Group Companies**"), both wholly-owned subsidiaries of the Company, as respondents; and (ii) included allegations against Mr. LIU Jie and certain former Directors in relation to the external loans granted by the Relevant Group Companies between May 2020 and March 2021 (the "**Loans**"), which form the basis for an additional relief sought by the SFC, i.e. a compensation order in favour of the Company and the Relevant Group Companies in respect of the Company and the losses they suffered from the granting of the Loans.

On 27 March 2025, the SFC, the Company, the Relevant Group Companies, along with other respondents to the Amended Petition, have agreed to the joinder of the Relevant Group Companies to the terms of the Order. By order of the High Court of Hong Kong dated 8 April 2025, the time for the Company and the Relevant Group Companies to file and serve their Points of Defence has been extended to 8 May 2025. The Company is seeking legal advice in respect of the Amended Petition and further announcement(s) will be made to update the shareholders and investors on any significant developments on the Amended Petition in accordance with the Listing Rules and the SFO.

For details, please refer to the announcements of the Company dated 8 October 2023, 14 May 2024, 30 July 2024 and 14 November 2024.

The Company will make further announcement(s) as necessary to keep Shareholders informed of any material developments regarding the matters mentioned above.

LOAN AND GUARANTEE

During the year ended 31 December 2024, the Group had not made any loan or provided any guarantee for loan, directly or indirectly, to the Directors, senior management of the Company, the Controlling Shareholders or their respective connected person.

RESTRICTED SHARE UNIT (THE "RSU") SCHEME

We have adopted the RSU Scheme with a view to formalise the grant and proposal to grant share incentives to eligible management and employees of the Group. The participants of the RSU Scheme include the employees or officers (including executive, non-executive and independent non-executive directors), any person or entity that provides research, development, consultancy and other technical or operation or administrative support to the Group, and any other persons who, in the sole opinion of the Board, have contributed or will contribute to any member of the Group or entities controlled by the Company through contractual arrangements. Under the RSU Scheme, the maximum number of shares which may be granted is 75,000,000 shares and all such shares have been issued to be held on trust as shares underlying the RSUs for the benefit of eligible participants pursuant to the RSU Scheme. No other shares are available for issue under the RSU Scheme as at the date of this annual report. There is no maximum entitlement for individual participant under the RSU Scheme. Under the rules of the RSU Scheme, there is no prescribed time frame within which all awards must be accepted or prescribed vesting period for all awards which may be granted under the RSU Scheme. The acceptance of any awards under the RSU Scheme shall be made within the period specified and in the manner prescribed in the notice of grant to be issued by the Company from time to time on a case-by-case basis. There are no outstanding RSUs granted and the vesting period of awards which may be granted under the RSU Scheme will be specified in the notice of grant to be issued by the Company from time to time on a case-by-case basis. No purchase price is payable for shares awarded under the RSU Scheme. The number of awards available for grant under the RSU Scheme was 18,132,134 shares as at 1 January 2024 and 31 December 2024. The remaining life of the RSU Scheme is approximately 3 years as at the date of this annual report.

The RSU Scheme was approved and adopted by the Board on 16 March 2018, the principal terms of which are set out in "Statutory and General Information — D. RSU Scheme and Share Option Scheme — 1. RSU Scheme" in Appendix IV of the Prospectus.

We have appointed The Core Trust Company Limited as the trustee (the "**Trustee**") to assist with the administration and vesting of the RSUs granted pursuant to the RSU Scheme. A total of 75,000,000 Shares (as adjusted after share sub-division conducted on 22 March 2018) were issued to Super Fleets Limited (the "**RSU Nominee**"), who hold the shares for the benefit of eligible participants pursuant to the RSU Scheme. No further Shares will be allotted and issued to the RSU Nominee or the trustee for the purpose of the RSU Scheme (other than pursuant to sub-division, reduction, consolidation, reclassification or reconstruction of the share capital of the Company in accordance with the RSU Scheme). As the RSU Scheme does not involve the grant of options to subscribe for any new Shares of the Company, it is not required to be subject to the provisions under Chapter 17 of the Listing Rules.

SHARE OPTION SCHEME

The Company adopted a Share Option Scheme pursuant to a resolution passed on 19 June 2018 which will be valid for 10 years from the adoption date for the purposes of (i) motivating the Eligible Participants to optimize their performance efficiency for the benefit of the Group; and (ii) attracting and retaining or otherwise maintaining an on-going business relationship with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group. Further details of the Share Option Scheme are set forth in the section headed "Statutory and General Information — D. RSU Scheme and Share Option Scheme" in Appendix IV to the Prospectus. The remaining life of the Share Option Scheme is approximately 3 years as at the date of this annual report.

The Board may, at its discretion, offer to grant an option to the following persons (collectively the "**Eligible Participants**") to subscribe for such number of new Shares as the Board may determine at the Exercise Price (as defined below):

(i) any full-time or part-time employees, executives or officers of our Company or any of its subsidiaries;

(ii) any Directors (including independent non-executive Directors) of our Company or any of its subsidiaries; and

(iii) any advisers, consultants, agents, suppliers, customers, distributors and such other persons who in the sole opinion of the Board will contribute or have contributed to our Company and/or any of its subsidiaries.

Upon acceptance of the option, the grantee shall pay US$0.000005 to our Company by way of consideration for the grant. The new Shares which may be issued by our Company upon exercise of all share options to be granted under the Share Option Scheme and other share option schemes of our Company (and to which the provisions of the Listing Rules are applicable) shall not exceed 200,000,000 Shares, (i.e. 10% of the aggregate of the Shares in issue on the Listing Date assuming the over-allotment option is not exercised and approximately 10.43% of the aggregate of the Shares in issue as at the date of this annual report).

The total number of Shares issued and to be issued upon the exercise of the options granted to or to be granted to each eligible person under the Share Option Scheme (including exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the Shares in issue.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during the period to be determined by the Board at its absolute discretion and notified by the Board to each grantee of the option (the "**Grantee**") as being the period during which an option may be exercised and in any event, such period shall not be longer than 10 years from the date upon which any particular option is granted in accordance with the Share Option Scheme. Options may be vested over such period(s) as determined by the Board in its absolute discretion subject to compliance with the requirements under any applicable laws, regulations or rules.

The exercise price ("**Exercise price**") shall be such price determined by the Board in its absolute discretion at the time of the grant of the relevant option (and shall be stated in the letter containing the offer of the grant of the option), but in the case that any Share would be allotted and issued to a Grantee upon the exercise of an option in accordance with the terms of the Share Option Scheme, the Exercise Price shall be at least the higher of (a) the official closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for business of dealing in securities; (b) the average of the official closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and (c) the nominal value of a Share.

For the year ended 31 December 2024, no share option was granted, exercised, cancelled or lapsed since its adoption and there is no outstanding share option under the Share Option Scheme.

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2024, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be recorded in the register referred to herein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of the Listed Issuers (the "**Model Code**") as set out in Appendix C3 of the Listing Rules, were as follows:

Interest in Shares or Underlying Shares of our Company

Name	Capacity/Nature of interest	Number of Shares held/interested	Approximate percentage of interest
Ms. LI Nini (2)	Interest in a controlled corporation	44,375,000(L)	2.31%

Notes:

(1) The letter "L" denotes the person's long position (as defined under Part XV of the SFO) in the Shares.

(2) LNN Holding Limited, a beneficial owner 44,375,000 Shares, is wholly-owned by Ms. LI Nini, who has been appointed as executive Director on 5 December 2024. Thus, Ms. LI Nini is deemed to be interested in the same number of Shares in which LNN Holding Limited is interested by virtue of the SFO.

Save as disclosed above, as at 31 December 2024, so far as the Directors are aware, none of the Directors and chief executives of the Company, nor their associates, had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register of the Company required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at 31 December 2024, the following persons (other than the interest of the Directors or chief executives of the Company disclosed above) who had an interest or short positions in the shares and underlying shares of the Company which 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 under section 336 of the SFO:

Interest in Shares or Underlying Shares of our Company

Name	Capacity/Nature of interest	Number of Shares held/interested	Approximate percentage of interest
LJ Technology Holding Limited[(2)]	Beneficial owner	1,007,837,500 (L)	52.54%
Mr. LIU Jie[(2)]	Interest in a controlled corporation	1,007,837,500 (L)	52.54%
ZYB Holding Limited[(3)]	Beneficial owner	148,488,000 (L)	7.74%
Mr. ZHU Yanbin[(3)]	Interest in a controlled corporation	148,488,000 (L)	7.74%
ACERY Holding LIMITED[(4)]	Beneficial owner	103,545,000 (L)	5.40%
Mr. WU Junjie[(4)]	Interest in a controlled corporation	103,545,000 (L)	5.40%

Notes:

(1) The letter "L" denotes the person's long position (as defined under Part XV of the SFO) in the Shares

(2) LJ Technology Holding Limited is wholly-owned by Mr. LIU Jie, who has been resigned as executive Director on 16 December 2024. Thus, Mr. LIU Jie is deemed to be interested in the same number of Shares in which LJ Technology Holding Limited is interested by virtue of the SFO.

(3) ZYB Holding Limited is wholly-owned by Mr. ZHU Yanbin, who has been resigned as executive Director on 23 June 2023. Thus, Mr. ZHU Yanbin is deemed to be interested in the same number of Shares in which ZYB Holding Limited is interested by virtue of the SFO.

(4) ACERY Holding LIMITED is wholly-owned by Mr. WU Junjie. Thus, Mr. WU Junjie is deemed to be interested in the same number of Shares in which ACERY Holding LIMITED is interested by virtue of the SFO.

Save as disclosed above, so far as the Directors are aware, no other persons or corporations (other than the Directors and chief executive of the Company) had any interest and short positions in the shares or underlying shares of the Company which were or required to be disclosed under the provisions of Division 2 and 3 of Part XV of the SFO, or were recorded in the register required to be kept under section 336 of the SFO as at 31 December 2024.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed in the sections headed "RSU Scheme" and "Share Option Scheme", at no time during the Reporting Period was the Company, its holding company, or any of its subsidiaries, a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of Shares in, or debt securities including debentures of, the Company or any other body corporate.

MAJOR SUPPLIERS AND CUSTOMERS

During the year ended 31 December 2024, the percentages of purchases from the Group's largest supplier and five largest suppliers were 53.4% and 93.9%, respectively. The percentages of sales attributable to the Group's largest customer and the five largest customers were 70.4% and 90.8%, respectively. As far as the Directors are aware, none of the Directors, their close associates (as defined under the Listing Rules) nor any substantial shareholders has any beneficial interest in the five largest suppliers or customers of the Group.

RETIREMENT BENEFITS SCHEME

All of our employees are in PRC and they are members of the state-managed retirement benefits scheme operated by the PRC government. Our employees are required to contribute a certain percentage of their payroll to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to this retirement benefits scheme is to make the required contributions under the scheme.

Details of the pension obligations of the Company are set out in Note 10, 11 and 35 to the consolidated financial statements in this annual report.

DIVIDEND POLICY

The Company had adopted a dividend policy ("**Dividend Policy**"), pursuant to which the Company may declare and distribute dividends to the shareholders of the Company (the "**Shareholders**"), provided that the Group records a profit after tax and that the declaration and distribution of dividends does not affect the normal operations of the Group. The recommendation of the payment of any dividend is subject to the absolute discretion of the Board, and any declaration of final dividend will be subject to the approval of the Shareholders.

In deciding whether to declare a dividend, the Board shall also take into account, inter alia:

(a) the Company's actual and expected financial performance;

(b) retained earnings and distributable reserves of the Company and each of the members of the Group;

(c) the level of the Group's debts to equity ratio, return on equity and the relevant financial covenants;

(d) any restrictions on payment of dividends that may be imposed by the Group's lenders;

(e) the Group's expected working capital requirements and future expansion plans;

(f) general economic conditions, business cycle of the Group's business and other internal or external factors that may have an impact on the business or financial performance and position of the Company; and

(g) any other factors that the Board deem appropriate.

Any payment of the dividend by the Company is also subject to any restrictions under the Companies Act of the Cayman Islands, the Articles of Association of the Company and the Shareholders.

CONNECTED TRANSACTIONS

During the year ended 31 December 2024, no related party transactions disclosed in Note 35 to the consolidated financial statements constituted a connected transaction or continuing connected transaction which should be disclosed pursuant to Rules 14A.49 and 14A.71 of the Listing Rules. The Company has complied with the disclosure requirements set out in Chapter 14A of the Listing Rules.

Contractual Arrangements

Our Group conducts the mobile game publishing business through our PRC Operating Entities in the PRC. As PRC laws and regulations, or the implementation of those laws and regulations by the relevant government authorities, generally prohibit foreign ownership in the mobile game publishing industry in the PRC, our Company is unable to own or hold any direct or indirect equity interest in our PRC Operating Entities. The Contractual Arrangements, through which we are able to exercise control over and derive the economic benefits from our PRC Operating Entities, have been narrowly tailored to achieve our business purpose and minimize the potential conflict with relevant PRC laws and regulations.

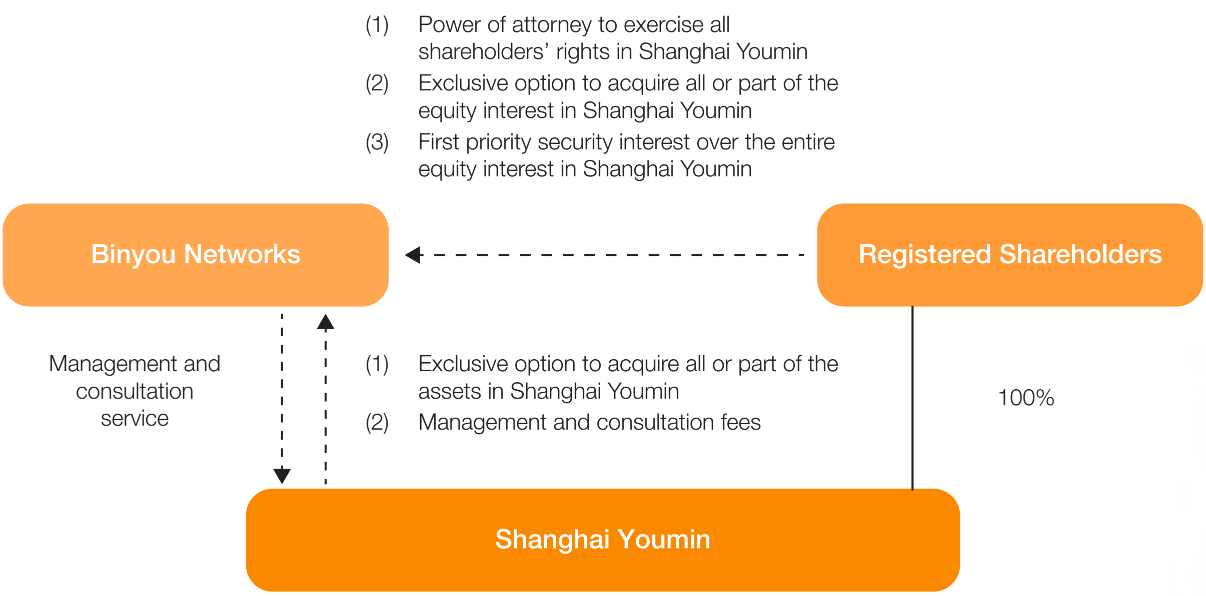
Investment activities in the PRC by foreign investors are mainly governed by the Guidance Catalog of Industries for Foreign Investment (the "**Catalog**"), which was promulgated and is amended from time to time jointly by the MOFCOM and the National Development and Reform Commission of the PRC* (中華人民共和國國家發展和改革委員會). The Catalog divides industries into four categories in terms of foreign investment, including "encouraged", "restricted" and "prohibited", and all industries not listed under any of these categories are deemed to be "permitted". As confirmed by the Company's PRC legal advisers, according to the Catalog, the mobile game publishing business that our Company currently operates falls into the internet cultural business which is considered "prohibited", and relates to the value-added telecommunications services which is considered "restricted".

Furthermore, according to the Regulations for the Administration of Foreign-Invested Telecommunications Enterprises, which were issued on 11 December 2001 by the State Council and amended on 10 September 2008 and 6 February 2016 foreign investors are not allowed to hold more than 50% of the equity interests of a company providing value-added telecommunications services, including ICP services. A foreign investor who invests in a value-added telecommunications businesses in the PRC must possess prior experience in operating value-added telecommunications businesses and a proven track record of business operations overseas (the "**Qualification Requirement**").

As advised by the Company's PRC legal advisers, as at 31 December 2024, no applicable PRC laws, regulations or rules had provided clear guidance or interpretation on the Qualification Requirement, and there was no update to the Qualification Requirement.

In order for the Company to be able to carry on its businesses in China, the Group has in place the Contractual Arrangements between Binyou Networks, on one hand, Shanghai Youmin and its registered shareholders on the other hand, which enable the Company to exercise control over the PRC Operating Entities, and to consolidate the financial results of the PRC Operating Entities in the results of the Company under IFRSs as if they were wholly-owned subsidiaries of the Company.

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



Summary of the major terms of the structured contracts under the Contractual Arrangements

The following sets out a summary of the major terms of the structured contracts under the Contractual Arrangements which were in place during the year ended 31 December 2024:

1. Exclusive Option Agreement dated 24 March 2018, pursuant to which Binyou Networks (or its designee) has an irrevocable and exclusive right to purchase from the Registered Shareholders all or any part of their equity interests in Shanghai Youmin, and an irrevocable and exclusive right to purchase from Shanghai Youmin all or any part of its assets, at a nominal price, unless the relevant government authorities request that another amount be used as the purchase price and in which case the purchase price shall be such amount;

2. Exclusive Business Cooperation Agreement dated 24 March 2018, pursuant to which Shanghai Youmin agreed to engage Binyou Networks as its exclusive provider of business support, technical and consulting services, including technology services, network support and maintenance, research and development, employee training, business and management consultancy, intellectual property licensing, equipment leasing, market research and other services, in exchange for service fee;

3. Share Pledge Agreement dated 24 March 2018, pursuant to which the Registered Shareholders pledged all of their equity interests in Shanghai Youmin to Binyou Networks as collateral security for all of their payments due to Binyou Networks and to secure performance of all obligations of Shanghai Youmin and the Registered Shareholders under the Contractual Arrangements;

4. Powers of Attorney dated 24 March 2018 executed by each Registered Shareholders, appointing Binyou Networks, or any person designated by it, as its exclusive agent and attorney to act on their behalf on all matters concerning Shanghai Youmin and to exercise all of their rights as registered shareholders of Shanghai Youmin;

5. Spouse Undertaking dated 24 March 2018 signed by the spouse of each Registered Shareholders.

During the year ended 31 December 2024, (i) there were no new contractual arrangements entered into, renewed or reproduced between the Group and the PRC Operating Entities, (ii) there were no material changes in the Contractual Arrangements or the circumstances under which they were adopted, and (iii) none of the structured contracts under the Contractual Arrangements mentioned above has been unwound as none of the restrictions that led to the adoption of structured contracts under the Contractual Arrangements have been removed.

Particulars of the PRC Operating Entities

Particulars of the PRC Operating Entities as at 31 December 2024 are presented as follows:

Name of the PRC Operating Entities	Type of legal entity/ place of establishment and operation	Registered owners as at 31 December 2024	Business activities
Shanghai Youmin	Limited liability company/ PRC	Mr. LIU Jie, Mr. ZHU Yanbin, Mr. WU Junjie, Zhuhai Sangu Limited Partnership* (珠海三穀投資合夥企業(有限合夥)) and Zlhuhai Jugu Limited Partnership* (珠海聚穀投資合夥企業(有限合夥)) hold 68.86%, 13.49%, 2.08%, 10.38% and 5.19% of the equity interest of Shanghai Youmin respectively	Internet culture operations
Guangzhou Kuoyou Networks Technology Limited* (廣州闊遊網絡科技有限公司)	Limited liability company/ PRC	100% by Shanghai Youmin	Internet culture operations
Shanghai Yiguo Networks Technology Limited* (上海猗國網絡科技有限公司)	Limited liability company/ PRC	100% by Shanghai Youmin	Internet culture operations
Shanghai Feimiao Networks Technology Limited* (上海飛淼網絡科技有限公司)	Limited liability company/ PRC	100% by Shanghai Youmin	Internet culture operations
Shanghai Langxianjing Networks Technology Limited* (上海浪險勁網絡科技有限公司)	Limited liability company/ PRC	100% by Shanghai Youmin	Internet culture operations
Shanghai Binjie Networks Technology Limited* (上海彬捷網絡科技有限公司)	Limited liability company/ PRC	100% by Shanghai Youmin	Internet culture operations
Guangzhou Jieba Networks Technology Limited* (廣州杰霸網絡科技有限公司)	Limited liability company/ PRC	100% by Shanghai Youmin	Internet culture operations
Guangzhou Langxianjing Networks Technology Limited* (廣州浪險勁網絡科技有限公司)	Limited liability company/ PRC	100% by Shanghai Youmin	Internet culture operations
Guangzhou Miyuan Networks Technology Limited* (廣州米緣網絡科技有限公司)	Limited liability company/ PRC	100% by Shanghai Youmin	Internet culture operations
Shanghai Mimeng	Limited liability company/ PRC	100% by Shanghai Youmin	Internet culture operations
Shanghai Rici	Limited liability company/ PRC	100% by Shanghai Youmin	Internet culture operations

The Board considers that the above PRC Operating Entities are significant to the Group in the view that (i) they have obtained the Online Culture Operating Permit, which is essential to the operation of all our business, and the ICP License and (ii) most of our intellectual property rights, including software copyrights, trademarks, patents and domain names, are held by Shanghai Youmin.

Revenue and assets subject to the structured contracts under the Contractual Arrangements

For the year ended 31 December 2024, the services provided by Binyou Networks to the PRC Operating Entities, including the provision of business support, technical and controlling services, amounted to nil. The revenue and the total asset value of the PRC Operating Entities subject to the Contractual Arrangements amounted to approximately RMB617.3 million for the year ended 31 December 2024 and approximately RMB705.7 million as at 31 December 2024, respectively.

Risk associated with the Contractual Arrangements and the actions taken to mitigate the risks

Risks associated with Contractual Arrangements	Mitigation actions taken by the Group
1. Current PRC laws and regulations impose certain prohibitions on foreign ownership of companies that engage in the Internet cultural business, such as mobile game publishing. If the PRC government finds that the agreements that establish the structure for operating our businesses in China do not comply with applicable PRC laws and regulations, or if these regulations or their interpretations change in the future, the Company could be subject to sever consequences, including the nullification of the Contractual Arrangements and the relinquishment of its interest in our PRC Operating Entities.	Pursuant to the relevant exclusive business cooperation agreement under the Contractual Arrangements, at any time after the date of such agreements, in the event of any promulgation or change of any law, regulation or rule of China or any interpretation or applicable change of such laws, regulations or rules, the following agreements shall be applicable: If the economic interests of any party under the agreements suffer a significant adverse effect directly or indirectly due to above change of laws, regulations or rules, the agreements should continue to operate pursuant to the original terms. Each of the parties shall obtain a waiver for complying with such change or rule via all legal channels. If any adverse effect on the economic interests of any party may not be eliminated according to the relevant agreement, upon the receipt by the other parties of such notice from the affected party, all the parties shall promptly discuss and make all necessary modification to the agreements to preserve the economic interests of the affected party under the agreement.
2. The Contractual Arrangements may not be as effective in providing operational control as direct ownership. The PRC Operating Entities may fail to perform their obligations under our Contractual Arrangements.	According to the relevant powers of attorney, share pledge agreements and exclusive business cooperation agreements under the Contractual Arrangements, the arbitration tribunal may decide (i) compensation for the equity interests or property ownership of the PRC Operating Entities or their shareholders, or (ii) enforceable remedy or to demand bankruptcy of the PRC Operating Entities or their shareholders for relevant business or enforceable asset transfer. Any party is entitled to request a competent court to execute the arbitration award when it comes into effect.

Risks associated with Contractual Arrangements	Mitigation actions taken by the Group
3. The Company may lose the ability to use and enjoy assets held by its PRC Operating Entities that are material to its business operations if its PRC Operating Entities declare bankruptcy or become subject to a dissolution or liquidation proceeding.	Pursuant to the relevant exclusive option agreement under the Contractual Arrangements, in the event of a mandatory liquidation required by the laws of the PRC, the relevant PRC Operating Entities shall sell all of their assets and any residual interest through a non-reciprocal transfer to the extent permitted by the laws of the PRC to Binyou Networks or another qualifying entity designated by Binyou Networks, at the lowest selling price permitted by applicable laws of the PRC.
4. The ultimate shareholders of the Company's PRC Operating Entities may have conflicts of interest with them, which may materially and adversely affect its business.	The shareholders of the PRC Operating Entities have undertaken to Binyou Networks that during the period when the Contractual Arrangements remain effective, (i) unless otherwise agreed by Binyou Networks in writing, the relevant shareholder would not, directly or indirectly (either on his own account or through any natural person or legal entity) participate, be interested in, engage in, acquire or hold (in each case whether as a shareholder, partner, agent, employee or otherwise) any business which is or may potentially be in competition with the businesses of the PRC Operational Entities or any of its affiliates and (ii) any of his actions or omissions would not lead to any conflict of interest between him and Binyou Networks (including but not limited to its shareholders). Furthermore, in the event of the occurrence of a conflict of interest where Binyou Networks has the sole absolute discretion to determine whether such conflict arises, he agrees to take any appropriate actions as instructed by Binyou Networks.
5. Our Contractual Arrangements may be subject to scrutiny by the PRC tax authorities. A finding that the Company owe additional taxes could substantially reduce its consolidated net income and the value of the investments.	As advised by the Company's PRC legal advisers, who took the view that the Contractual Arrangements will not be challenged by the PRC tax authorities or other government authorities unless the PRC tax authorities determine that such transactions are not conducted on an arm's length basis, provided that Binyou Networks and the PRC Operating Entities implement the Contractual Arrangements in accordance with the terms of the structured contracts.

For details of the risks associated with the Contractual Arrangements, please refer to the section headed "Risk Factors — Risks relating to our Contractual Arrangements" in the Prospectus.

Requirements related to the Contractual Arrangements (other than relevant foreign ownership restrictions)

As advised by the Company's PRC legal advisers, requirements related to the Contractual Arrangements (other than relevant foreign ownership restrictions) include:

i. Pursuant to Article 52 of the PRC Contract Law, a contract is void under any of the following five circumstances: (i) the contract is concluded through the use of fraud or coercion by one party and thereby damages the interest of the state, (ii) malicious collusion is conducted to damage the interest of the state, a collective unit or a third party, (iii) the contract damages the public interest, (iv) an illegitimate purpose is concealed under the guise of legitimate acts or (v) the contract violates the mandatory provisions of the laws or administrative regulations. As advised by the Company's PRC legal advisers, the relevant terms of the Contractual Arrangements do not fall within any of the aforementioned five circumstances, and in particular, would not be deemed as "concealing an illegitimate purpose under the guise of legitimate acts" under Article 52 of the PRC Contract Law, and do not violate the provisions of the PRC Contract Law or the General Principles of the PRC Civil Law. However, there are substantial uncertainties regarding the interpretation and application of PRC laws and future PRC laws and regulations, and there can be no assurance that any PRC government agency will not take a view that is contrary to or otherwise different from the above.

ii. According to the Contractual Arrangements, when a dispute arises, any party to the agreements may submit such dispute to the China International Economic and Trade Arbitration Commission for settlement pursuant to the effective arbitration rules at that time, and the arbitration award shall be final and binding on the parties. Arbitration tribunal may decide compensation for the equity interests and property ownership of the on-shore subsidiaries, decide enforceable remedy or demand liquidation of relevant business or enforceable asset transfer. Any party is entitled to request the competent court to execute the arbitration award when it comes into effect. The courts in Hong Kong and Cayman Islands also have the right to grant or execute awards of arbitration tribunal and make decision or execute temporary remedy on the equity interests and property ownership of the on-shore subsidiaries. However, pursuant to the laws of China, in the settlement of dispute, the arbitration tribunals shall not be entitled to grant an injunctive order to protect the property ownership or equity interests of the on-shore subsidiaries, and shall not issue a temporary or final liquidation order directly. Moreover, the interim remedies or orders granted by the off-shore courts, including Hong Kong and Cayman Islands, may not be recognised or enforced by the courts in China. Therefore, such terms in above agreements may not be enforceable under the laws of China.

Waiver from the Stock Exchange

As Mr, LIU Jie, Mr. ZHU Yanbin and Mr. WU Junjie are the Controlling Shareholder or substantial Shareholders, or former executive Director where applicable, they are the Company's connected persons pursuant to Rule 14A.07 of the Listing Rules.

Each of the PRC Contractual Entities is directly or indirectly controlled by the Controlling Shareholders or substantial Shareholders, or the former executive Director, they are therefore each an associate of the Controlling Shareholders or substantial Shareholders or the former executive Director, and a connected person of the Company pursuant to Rule 14A.12(1)(c) of the Listing Rules.

In view of the Contractual Arrangements, the Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver to the Company from strict compliance with (i) the announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the transactions contemplated under the Contractual Arrangements pursuant to Rule 14A.105 of the Listing Rules, (ii) the requirement of setting an annual cap for the transactions under the Contractual Arrangements under Rule 14A.53 of the Listing Rules, and (iii) the requirement of limiting the term of the Contractual Arrangements to three years or less under Rule 14A.52 of the Listing Rules for so long as the Company's Shares are listed on the Stock Exchange subject to certain conditions.

For details, please refer to the section "Connected Transactions" in the Prospectus.

Annual Review

The Directors, including the independent non-executive Directors, have reviewed each of the Contractual Arrangements set out above and have confirmed that the Contractual Arrangements were entered into (i) in the ordinary and usual course of business of the Group, (ii) on normal commercial terms, and (iii) in accordance with the respective agreement governing them on terms that are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

The independent non-executive Directors have also reviewed and confirmed that:

1. the transactions carried out during the year ended 31 December 2024 have been entered into in accordance with the relevant provisions of the Contractual Arrangements and have been operated so that the revenue generated by the PRC Contractual Entities has been mainly retained by the Group;

2. no dividends or other distributions have been made by the PRC Contractual Entities to the holders of its equity interests which are not otherwise subsequently assigned or transferred to the Group; and

3. there was no new contract entered into, renewed or reproduced between the Group and the PRC Contractual Entities during the year ended 31 December 2024.

Further, the Company's auditor, OOP CPA & Co., was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing their conclusions in respect of the continuing connected transactions disclosed above by the Group in accordance with Rule 14A.56 of the Listing Rules.

RELATED PARTY TRANSACTIONS

Details of the related party transactions of the Group for the year ended 31 December 2024 are set out in Note 35 to the consolidated financial statements contained herein. None of the related party transactions constitutes a connected transaction or continuing connected transaction subject to independent Shareholders' approval, annual review and all disclosure requirements in Chapter 14A of the Listing Rules.

INDEMNITY OF DIRECTORS

The Articles of Association provide that the Directors are entitled to be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they shall or may incur or sustain in or about the execution of their duty in their respective offices, provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to such Director. The Company has purchased and maintained Directors' liability insurance during the year under review, which provides appropriate coverage for the Directors.

COMPLIANCE WITH THE CORPORATE GOVERNANCE

The Company recognizes the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the Shareholders as a whole. The Company has adopted the code provisions set out in the Corporate Governance Code as set out in Appendix C1 to the Listing Rules as its own code to govern its corporate governance practices.

During the Reporting Period, the Company has complied with all applicable code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, except for the following deviation from the provision C.2.1 of the Corporate Governance Code which is explained below:

According to code provision C.2.1 of the Corporate Governance Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual.

On 16 December 2024, Mr. LIU Jie has tendered his resignation as an executive Director, the Chairman and the Chief Executive Officer with effect from 16 December 2024. At the end of the Reporting Period, the Company did not have a designated Chairman and Chief Executive Officer. During this period, the day-to-day management of the Group's business and the major decisions are made after consultation with the Board and appropriate Board committees, as well as senior management.

The Company has then quickly identified suitable candidate(s) to fill the vacancies of the Chairman and the Chief Executive Officer. On 10 January 2025, Dr. CHAN Man Fung has been appointed as the Chairman and Ms. LI Nini has been appointed as the Chief Executive Officer with effect from 10 January 2025.

As at the date of this report, the Company has complied with all applicable code provisions of the Corporate Governance Code as contained in Appendix C1 to the Listing Rules.

The Board will continue to review and monitor the practices of the Company with an aim to maintaining a high standard of corporate governance.

Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 47 to 61 of this annual report.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix C3 of the Listing Rules as its code of conduct for Directors' securities transactions. Having made specific enquiry with the Directors, all of the Directors confirmed that they have complied with the required standards as set out in the Model Code during the Reporting Period.

SUFFICIENT PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this annual report, the Company has maintained a sufficient public float of not less than 25% of the Company's issued shares as required under the Listing Rules.

AUDITOR

The consolidated financial statements for the years ended 31 December 2024 was audited by OOP CPA & Co., who is proposed for re-appointment at the forthcoming annual general meeting of the Company.

CWK CPA Limited has resigned as the auditor of the Company with effect from 28 November 2024. OOP CPA & Co. has been appointed as the auditor of the Company to fill the casual vacancy following the resignation of CWK CPA Limited with effect from 28 November 2024. Reference is made to the announcement of the Company dated 28 November 2024.

ZHONGHUI ANDA CPA Limited has resigned as the auditor of the Company with effect from 8 November 2023. CWK CPA Limited has been appointed as the auditor of the Company to fill the casual vacancy following the resignation of ZHONGHUI ANDA CPA Limited with effect from 8 November 2023. Reference is made to the announcement of the Company dated 8 November 2023.

Save as disclosed herein, there has been no other change in auditors of the Group in the preceding three years.

On behalf of the Board

CHAN Man Fung
Chairman and Executive Director

Hong Kong, 28 March, 2025

Director and Senior Management

The directors and senior management of the Company during the year and up to the date of this annual report were:

BOARD OF DIRECTORS

Executive Directors

Dr. CHAN Man Fung (陳文鋒) *(Chairman) (appointed as the Chairman on 10 January 2025)*
Ms. LI Nini (李妮妮) *(Chief Executive Officer) (appointed as executive Director on 5 December 2024 and appointed as Chief Executive Officer on 10 January 2025)*
Mr. LIU Jie (劉傑) *(Chairman and Chief Executive Officer) (resigned on 16 December 2024)*

Independent Non-executive Directors

Mr. CHOW Wing Yiu (周永堯)
Mr. JIANG Huihui (江輝輝)
Mr. SHIN Ho Chuen (單浩銓)

In accordance with article 84 of the Articles of Association, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation, provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. Dr. CHAN Man Fung and Mr. JIANG Huihui will retire by rotation at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election.

In accordance with article 83(3) of the Articles of Association, any Director appointed by the Board to fill a casual vacancy on the Board or as an addition to the existing Board shall hold office until the first annual general meeting of the Company after his appointment, and be subject to re-election at such meeting. Ms. LI Nini will retire by rotation at the forthcoming annual general meeting and, being eligible, will offer herself for re-election.

The Company has received from each independent non-executive Director a written confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and the Board considers all the Independent non-executive Directors as independent.

Biographical Details of Directors

Dr. CHAN Man Fung (陳文鋒), aged 38, has been appointed as an executive Director and a member of the Remuneration Committee with effect from 29 June 2023 and appointed as the Chairman with effect from 10 January 2025. Dr. Chan is a merchant having businesses and investments in Hong Kong and the PRC. Dr. Chan has extensive experience in corporate finance and the legal and financial services fields both in the PRC and Hong Kong and was involved in several merger and acquisition transactions and initial public offerings. Dr. Chan is currently an executive director and co-chairman of P.B. Group Limited (Stock Code: 8331), a company listed on the GEM of the Stock Exchange.

Dr. Chan received his Postgraduate Diploma in Business Administration from the Society of Business Practitioners of Cheshire, England in 2017, obtained his doctorate degree in Business Administration from Warnborough College, Ireland in 2016 and received his Postgraduate Diploma in Legal Practice from the University of Oxford, England in 2011. He was graduated from the University of London with a bachelor degree of Laws in 2007 and from The Hong Kong Polytechnic University with a bachelor degree of Arts with a major in Business Studies in 2006. Dr. Chan is a fellow member of Society of Business Practitioners of Cheshire, England and a practicing chartered legal executive lawyer in England. Dr. Chan was a licensed person for types 1 (dealing in securities), type 2 (dealing in future contracts), type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO and currently is the ultimate beneficial owner of two companies licensed by the Securities and Futures Commission (the "**SFC**") to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO respectively.

Ms. LI Nini (李妮妮), aged 42, joined the Group on 3 December 2013. Ms. Li has been appointed as an executive Director with effect from 5 December 2024, the chairlady of Nomination Committee with effect from 16 December 2024 and the Chief Executive Officer with effect from 10 January 2025. Ms. Li is vice president of the Group, mainly responsible for the business operation and project management. She has served as vice president of Shanghai Youmin Networks Technology Limited* (上海遊民網絡科技有限公司), a subsidiary of the Company, since December 2013. She is also the director of certain subsidiaries of the Group. Prior to joining the Group, she has worked with the founders of the Group. Ms. Li has over 10 years of experience in online game operation and management.

Ms. Li graduated from Guangdong Ocean University with a bachelor degree in food science and engineering in June 2006 and graduated from Guangdong University of Technology with a master degree in food science in June 2009.

For Ms. Li's interest in the Shares within the meaning of Part XV of the SFO as at the date of this annual report, please refer to the section headed "Report of the Directors" in this annual report.

Mr. CHOW Wing Yiu (周永堯), age 36, has been appointed as an independent non-executive Director and the chairman of the Audit Committee with effect from 29 August 2023. Mr. Chow has over 13 years of working experience in auditing, accounting, taxation, internal control and company secretarial services. Mr. Chow is the founder and managing director of a professional firm of Certified Public Accountants in Hong Kong. He has extensive audit experience in the People's Republic of China and Hong Kong, covering various industries.

Mr. Chow holds a Bachelor degree of Business Administration in Accounting from Hong Kong Metropolitan University in June 2010. He is currently a member of Hong Kong Institute of Certified Public Accountants and Certified Public Accountant (Practising) registered in Hong Kong.

Mr. SHIN Ho Chuen (單浩銓), aged 35, has been appointed as an independent non-executive Director and a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee with effect from 29 August 2023. Mr. Shin has over 10 years of law related working experience. Mr. Shin was employed by David Fong & Co. as an assistant solicitor from July 2016 to July 2020 and he has been a partner of the firm since August 2020. Since March 2022, Mr. Shin has been an independent director of Onion Global Limited (OGBLY: US), a company listed on U.S. OTC Markets. Since February 2023, Mr. Shin has been an independent non-executive director of Jiading International Group Holdings Limited (Stock Code: 8153), a company listed on the GEM of the Stock Exchange.

Mr. Shin obtained a bachelor of laws degree and a postgraduate certificate in laws from The Chinese University of Hong Kong in November 2012 and July 2013, respectively. He was admitted as a solicitor in Hong Kong in March 2016.

Mr. JIANG Huihui (江輝輝), aged 41, has been appointed as an independent non-executive Director and a member of each of the Audit Committee, Remuneration Committee and Nomination Committee with effect from 29 June 2023 and re-designated as the chairperson of Remuneration Committee with effect from 29 August 2023. Mr. Jiang has extensive experience in finance, investment fund management and the media and entertainment related businesses. Mr. Jiang is currently the general manager of an assets management company located in Beijing, the PRC, responsible for the management of overall operation of the company. Mr. Jiang is also the management consultant of a film and television production company located in Beijing, the PRC, responsible for identifying issues in the company and developing plans of action for enhancing performance.

Mr. Jiang obtained a bachelor degree of Engineering from University of Central Lancashire in 2005 and a degree of Master of Engineering Studies from University of Technology, Sydney in 2007.

SENIOR MANAGEMENT

Mr. Ho Kim Fung (何劍鋒), aged 37, was appointed as the chief financial officer of the Company on 21 July 2023. Mr. Ho has over 11 years of working experience in accounting, auditing, and financial management. For his working experience, Mr. Ho had served as an auditor in several professional firms of Certified Public Accountants in Hong Kong. Since 2017, Mr. Ho provides accounting and financial management services in several listed companies in Hong Kong.

Mr. Ho holds a degree of Bachelor of Business Administration in Accounting from Hong Kong Metropolitan University. For the aspect of professional qualifications, Mr. Ho is a member of Hong Kong Institute of Certified Public Accountants, a member of the Association of Chartered Certified Accountants, a member of CPA Australia, an associate member of Chartered Institute of Management Accountants and a designation holder of The Chartered Global Management Accountant.

Ms. Chik Wai Chun (戚偉珍), aged 40, was appointed as the company secretary and authorised representative of the Company on 21 July 2023. Ms. Chik has over 17 years of experience in auditing, accounting, corporate governance and company secretarial matters.

Mr. Chik obtained a Master of Corporate Governance Degree from The Hong Kong Polytechnic University in September 2015. She was admitted as a member of CPA Australia in June 2011. She was also certified as a certified public accountant by the Hong Kong Institute of Certified Public Accountants in September 2011 and was admitted as an associate of both The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute (formerly known as the Institute of Chartered Secretaries and Administrators) in March 2016.

Corporate Governance Report

OVERVIEW

The Company and its subsidiaries are committed to maintaining high standards of corporate governance to safeguard the interests of shareholders and to enhance corporate value and accountability. The Board will continue to review and monitor the corporate governance of the Company, as well as various internal policies and procedures, including but not limited to those applicable to employees and Directors, with reference to the Corporate Governance Code set out in Appendix C1 to the Listing Rules and other applicable legal and regulatory requirements so as to maintain a high standard of corporate governance of the Company.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted the code provisions as set out in the Corporate Governance Code as contained in Appendix C1 to the Listing Rules as its own code of corporate governance. During the Reporting Period, the Company has complied with all applicable code provisions of the Corporate Governance Code as contained in Appendix C1 to the Listing Rules, except for the following deviation from the provision C.2.1 of the Corporate Governance Code which is explained below:

According to code provision C.2.1 of the Corporate Governance Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual.

On 16 December 2024, Mr. LIU Jie has tendered his resignation as an executive Director, the Chairman and the Chief Executive Officer with effect from 16 December 2024. At the end of the Reporting Period, the Company did not have a designated Chairman and Chief Executive Officer. During this period, the day-to-day management of the Group's business and the major decisions are made after consultation with the Board and appropriate Board committees, as well as senior management.

The Company has then quickly identified suitable candidate(s) to fill the vacancies of the Chairman and the Chief Executive Officer. On 10 January 2025, Dr. CHAN Man Fung has been appointed as the Chairman and Ms. LI Nini has been appointed as the Chief Executive Officer with effect from 10 January 2025.

As at the date of this annual report, the Company has complied with all applicable code provisions of the Corporate Governance Code as contained in Appendix C1 to the Listing Rules.

Board of Directors

The Board is responsible for overseeing the management, businesses, strategic directions and financial performance of the Group. The Board holds regular meetings to discuss the Group's businesses and operations. The Board delegates the day-to-day management, administration and operation of the Group to the management team. The delegated functions are reviewed by the Board periodically to ensure that they accommodate the needs of the Group.

As at 31 December 2024, the Board consists of five Directors, of whom two are executive Directors and the remaining three are independent non-executive Directors. The table below sets out the roles of each member of the Board:

Directors	Position
Dr. CHAN Man Fung (陳文鋒)	Executive Director and Chairman
Ms. LI Nini (李妮妮) (appointed on 5 December 2024)	Executive Director and Chief Executive Officer
Mr. LIU Jie (劉傑) (resigned on 16 December 2024#)	Executive Director, Chairman and Chief Executive Officer
Mr. CHOW Wing Yiu (周永堯)	Independent non-executive Director
Mr. JIANG Huihui (江輝輝)	Independent non-executive Director
Mr. SHIN Ho Chuen (單浩銓)	Independent non-executive Director

Mr. LIU Jie resigned due to his other business commitments.

None of the Directors have a relationship (including financial, family or other material or related relationship) with each other. The Board has a balance of skills and experience appropriate for the requirements of the business of the Company.

The biographies of the Directors of the Company are set out on pages 44 to 46 of this annual report.

For the year ended 31 December 2024, the Board has complied with the requirements of the Listing Rules on appointment of at least three independent non-executive Directors, representing at least one-third of members of the Board and at least one of whom shall have appropriate professional qualifications, or accounting or related financial management expertise. The qualifications of the three independent non-executive Directors of the Company fully comply with the requirements of Rules 3.10(1) and (2) of the Listing Rules. The Board is well-balanced in structure and each of its members possesses extensive knowledge, experience and talent in relation to the business operation and development of the Company. All the Directors are well aware of their joint and several responsibilities towards the shareholders of the Company.

None of the independent non-executive Directors of the Company has any business or financial interests or other interests in the business of the Company and its subsidiaries, nor do they hold any executive positions in the Company, which effectively guaranteed their independence.

In order to take advantage of the skills, experiences and diversity of perspectives of the Directors and in order to ensure that the Directors give sufficient time and attention to the Group's affairs, the Company requested each of the Directors to disclose to the Company, the number and the nature of their offices held in public companies or organizations and other significant commitments.

The Board's composition is in compliance with the requirement under Rule 3.10A of the Listing Rules that the number of independent non-executive Directors must represent at least one-third of the Board. The Board believes that the balance between the executive Directors and the non-executive Directors is reasonable and adequate to provide sufficient checks and balances that safeguard the interests of the shareholders and the Group.

Board Independence

The Board has established mechanisms to ensure independent views are available to the Board. The summary of the mechanisms is set out below:

(i) Composition

The Board ensures the appointment of at least three independent non-executive Directors and at least one-third of its members being independent non-executive Directors (or such higher threshold as may be required by the Listing Rules from time to time), with at least one independent non-executive Director possessing appropriate professional qualifications, or accounting or related financial management expertise. Further, independent non-executive Directors will be appointed to Board committees as required under the Listing Rules and as far as practicable to ensure independent views are available.

(ii) Independence Assessment

The nomination committee of the Company strictly adheres to the nomination policy with regard to the nomination and appointment of independent non-executive Directors, and is mandated to assess annually the independence of independent non-executive Directors to ensure that they can continually exercise independent judgement.

(iii) Compensation

No equity-based remuneration with performance-related elements will be granted to independent non-executive Directors as this may lead to bias in their decision-making and compromise their objectivity and independence.

(iv) Board Decision Making

Directors (including independent non-executive Directors) are entitled to seek further information from the management on the matters to be discussed at Board meetings and, where necessary, independent advice from external professional advisers at the Company's expense.

A Director (including independent non-executive Directors) who has a material interest in a contract, transaction or arrangement shall not vote or be counted in the quorum on any Board resolution approving the same.

During the year ended 31 December 2024, the Board at all times met the requirements of the Listing Rules relating to the appointment of independent non-executive Directors as mentioned in item (i) above. The Board has reviewed the implementation and effectiveness of such mechanisms during the year.

Confirmation of Independence of Independent Non-Executive Directors

The Company has received from each of the independent non-executive Directors an annual confirmation of their independence under Rule 3.13 of the Listing Rules. Accordingly, the Company is of the opinion that all the independent non-executive Directors are independent under Rule 3.13 of the Listing Rules.

Company Secretary

Ms. CHIK Wai Chun ("**Ms. Chik**") was appointed as the company secretary of the Company with effect from 21 July 2023.

For the year ended 31 December 2024, Ms. Chik has undertaken not less than 15 hours of relevant professional training respectively in compliance with Rule 3.29 of the Listing Rules.

Directors' Continuous Training and Development

Pursuant to code provision C.1.4 of the Corporate Governance Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant.

During the Reporting Period, the Directors are regularly briefed on the amendments to or updates on the relevant laws, rules and regulations. All Directors have participated in continuous professional development by reading training materials and attending training courses on the topics related to corporate governance and regulations.

According to the records maintained by the Company, all Directors of the Company participated in the trainings regarding the knowledge of Listing Rules and other legislations, as well as the knowledge in relation to responsibilities of directors of a listed company, in order to comply with the requirements of the Corporate Governance Code in relation to continuous professional development.

The training record of each Director received during the year ended 31 December 2024 is set out below:

Name of director	Reading materials relevant to corporate governance and regulations	Attending training session(s) relevant to corporate governance and regulations
Executive Directors		
Dr. CHAN Man Fung (陳文鋒)	Y	Y
Ms. LI Nini (李妮妮) (appointed on 5 December 2024)	Y	Y
Mr. LIU Jie (劉傑) (resigned on 16 December 2024)	Y	Y
Independent Non-executive directors		
Mr. JIANG Huihui (江輝輝)	Y	Y
Mr. CHOW Wing Yiu (周永堯)	Y	Y
Mr. SHIN Ho Chuen (單浩銓)	Y	Y

Appointment and Re-election of Directors

All Directors (including non-executive Directors) are appointed for a specific term of three years which may be extended as each and the Company may agree, subject to retirement by rotation and re-election at the annual general meeting in accordance with the Articles of Association. The newly appointed Director during the Reporting Period, namely Ms. LI Nini, confirmed that she obtained the legal advice referred to in Rule 3.09D of the Listing Rules on the date of her appointment. Ms. LI Nini has confirmed that she understood her obligations as Director. Article 84 of the Articles of Association provides that at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but less than one-third) shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. The Company has implemented a set of effective procedures for appointment of new Directors. The nomination of new Directors shall be first deliberated by the Nomination Committee and then submitted to the Board, subject to approval by election at the general meeting.

Article 83(3) of the Articles of Association provide that any Director appointed by the Board to fill a casual vacancy on the Board or as an addition to the existing Board shall hold office until the first annual general meeting of the Company after his/her appointment, and be subject to re-election at such meeting. Where vacancies on the Board exist, the Nomination Committee evaluates skills, knowledge and experience required by the Board, and identifies if there are any special requirements for the vacancy. The Nomination Committee identifies appropriate candidates and convenes Nomination Committee meeting to discuss and vote in respect of the nominated Directors, and recommends candidates for Directors to the Board.

The Nomination Committee considers candidates with individual skills, experience and professional knowledge that can best assist and facilitate the effectiveness of the Board. The Nomination Committee takes the policy on Board diversity of the Company into consideration when it considers the balance of composition of the Board as a whole.

Nomination Policy

In order to nominate suitable candidates to the Board for it to consider and make recommendations to Shareholders for election at general meetings, the secretary of the Nomination Committee shall call a meeting with the list and information of the candidates. For proposing candidates to stand for election at a general meeting, a circular which contains the names, brief biographies, independence, proposed remuneration and any other information as required pursuant to the applicable laws and regulations, will be sent to the Shareholders. Other than the nomination recommended by the Board for election, the Shareholders can serve a notice in writing of the intention to propose that certain person for election as a Director with in the lodgement period. The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at any general meeting.

The Nomination Committee has the discretion to nominate any person as it considers appropriate and in assessing the suitability of a proposed candidate, the criteria as set out below will be used as reference:

- Reputation and integrity;
- Experience in the directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas;

- Commitment in performing the duties as a Director and a member of the Board committees (if applicable); and

- Board diversity, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge, relationship with other Board members and length of service, and the potential contributions can be brought to the Board.

Remuneration Policy

The remuneration of Directors and senior management is determined with reference to their expertise and experience in the industry, the performance and profitability of the Group as well as remuneration benchmarks from other local and international companies and prevailing market conditions.

Emoluments of Directors and Senior Management and Five Highest Paid Individuals

Remuneration Committee shall propose the emoluments of Directors based on the remuneration policy and make recommendations to the Board. As authorized by the general meeting, emoluments of Directors shall be determined by the Board.

Emoluments of senior management shall be determined by the Board.

Details of emoluments of Directors, senior management and five highest paid employees of the Group are set out in Notes 11(a) and 11(c) to the consolidated financial statements in this annual report, respectively

Pursuant to the Corporate Governance Code, the remuneration of the members of the senior management (other than Directors) whose particulars are contained in the section headed "Director and Senior Management" in this annual report for the year ended 31 December 2024 by band is set out below:

Remuneration Bands	Number of Senior Management
Nil to HK$1,000,000	2

Directors' and Senior Management's Liability Insurance

The Company has entered into Directors' and senior management's liability insurance policy to cover any possible legal action against the Directors during the Reporting Period and remained in force as at the date of this annual report.

CULTURES AND VALUES

A healthy corporate culture across the Group is integral to attain its vision and strategy. It is the Board's role to foster a corporate culture with the following core principles and to ensure that the Company's vision, values and business strategies are aligned to it.

1. Integrity and code of conduct

The Group strives to maintain high standards of business ethics and corporate governance across all our activities and operations. The Directors, management and staff are all required to act lawfully, ethically and responsibly, and the required standards and norms are explicitly set out in the training materials for all new staff and embedded in various policies such as the Group's employee handbook (including therein the Group's code of conduct), the anti-corruption policy and the whistleblowing policy of the Group. Trainings are conducted from time to time to reinforce the required standards in respect of ethics and integrity.

2. Commitment

The Group believes that the culture of commitment to workforce development, workplace safety and health, diversity, and sustainability is one where people have a feeling of commitment and emotional engagement with the Group's mission. This sets the tone for a strong, productive workforce that attracts, develops, and retains the best talent and produces the highest quality work. Moreover, the Company's strategy in the business development and management are to achieve long-term steady and sustainable growth, while having due considerations from environment, social and governance aspects.

BOARD DIVERSITY POLICY

In accordance with the latest amendment and requirements of the Corporate Governance Code, the Company has adopted a board diversity policy (the "**Policy**"). The Company seeks to achieve board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

The Nomination Committee will disclose the composition of the Board in Corporate Governance Report every year and supervise the implementation of this Policy. The Nomination Committee will review the effectiveness of this Policy, as appropriate discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

As at the date of this annual report, the Board consists of four male and one female with three Directors of age 31–40 years old and two Directors of age 41–50 years old. The Nomination Committee has reviewed the membership, structure and composition of the Board, and is of the opinion that the structure of the Board is reasonable, and the experiences and skills of the Directors in various aspects and fields can enable the Company to maintain high standard of operation.

GENDER DIVERSITY

The Board currently has one female Director in the Board and as such has achieved gender diversity in respect of the Board. The Board targets to maintain at least the current level of the female representation, with the ultimate goal of achieving gender parity. The Nomination Committee will continue to use its best efforts to identify and recommend suitable candidates to act as Directors to the Board for its consideration.

We will also ensure that there is gender diversity when recruiting staff at mid to senior level and we are committed to provide career development opportunities for female staff so that we will have a pipeline of female senior management and potential successors to the Board in near future.

The Company plans to offer all-rounded trainings to female employees whom we consider to have the suitable experience, skills and knowledge of our operation and business, including but not limited to, business operation, management, accounting and finance, legal and compliance and research and development. As at 31 December 2024, the gender ratio in our workforce (including senior management) for male and female employees were 71.7% and 28.3%, respectively.

BOARD MEETING

The Company adopts a practice to convene Board meetings regularly which is at least four meetings per year and roughly on a quarterly basis with active participation of the majority of the Directors, either in person or through electronic means of communication. A notice of a regular Board meeting shall be delivered to all the Directors at least 14 days in advance with the matters to be discussed specified in the agenda of the meeting. For other Board and committee meetings, reasonable notice is generally served. Agendas or relevant documents of the Board or committee meetings shall be despatched to the Directors or members of the committees at least 3 days prior to the convening of the meetings to ensure that they have sufficient time to review the relevant documents and be adequately prepared for the meetings. When Directors or committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given opportunity to make their views known to the Chairman prior to the meeting.

The minutes of the Board meetings and committees thoroughly recorded all matters under consideration and decisions made including any problems raised by the Directors. Directors have a right to review the minutes of the Board meetings and the committee meetings. The minutes are kept by the company secretary of the Company and the copies are circulated to all Directors for reference record purposes.

During the Report Period, the Company held four Board meetings in total. The Company held one general meeting during the reporting period. The Company will fully comply with the requirement under the code provision C.5.1 of the Corporate Governance Code to convene Board meetings at least four times a year at approximately quarterly intervals. The Chairman held one meeting with independent non-executive Directors during the year without the presence of other Directors.

The attendance records of the Directors of the Board Meeting and general meeting(s) are as follows:

Name of director	Attendance/ Number of Board Meeting	Attendance/ Number of annual general meeting
Executive Directors		
Dr. CHAN Man Fung (陳文鋒) *(Chairman)*	4/4	1/1
Ms. LI Nini (李妮妮) (appointed on 5 December 2024)	2/2	N/A
Mr. LIU Jie (劉傑) (resigned on 16 December 2024)	2/2	0/1
Independent Non-executive Directors		
Mr. JIANG Huihui (江輝輝)	4/4	1/1
Mr. CHOW Wing Yiu (周永堯)	4/4	1/1
Mr. SHIN Ho Chuen (單浩銓)	4/4	1/1

BOARD COMMITTEES

The Company has three Board committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee. Each of the Board committees operates under its terms of reference. The terms of reference of the Board committees are available on the website of the Company (www.fingertango.com) and that of the Stock Exchange (www.hkexnews.hk), respectively.

Audit Committee

The Company established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code. The Audit Committee currently comprises three members, namely Mr. CHOW Wing Yiu, Mr. JIANG Huihui and Mr. SHIN Ho Chuen, all being independent non-executive Directors. Mr. CHOW Wing Yiu is the chairperson of the Audit Committee, who possesses appropriate professional qualifications. The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, risk management and internal control systems of our Group, to oversee the audit process, the develop and review our policies and to perform other duties and responsibilities as assigned by the Board.

The Audit Committee held three meetings during the reporting period to review and consider, in respect of the year ended 31 December 2023, the interim and annual financial results and reports, operational and compliance controls, the effectiveness of the risk management and internal control systems and internal audit function, change of external auditors and engagement of non-audit services, as well as the preliminary quotation of the range of audit fee to be charged by the external auditors for the ensuing year. The Audit Committee also met the external auditors once during the reporting period without the presence of the executive Directors and the management.

The attendance records of the members of the Audit Committee are as follows:

Name of director	Attendance/ Number of meeting(s)
Mr. CHOW Wing Yiu (周永堯) *(Chairman)*	3/3
Mr. JIANG Huihui (江輝輝)	3/3
Mr. SHIN Ho Chuen (單浩銓)	3/3

The Audit Committee has reviewed the Company's audited consolidated annual results for the Reporting Period and this annual report. The Audit Committee is of the opinion that the Group's consolidated financial statements for the year ended 31 December 2024 comply with the applicable accounting principles, standards, and requirements and that adequate disclosures have been made. The Audit Committee therefore recommend for the Board's approval of the Group's consolidated financial statements for the year ended 31 December 2024.

Remuneration Committee

The Company established the Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code. The Remuneration Committee currently comprises three members being two independent non-executive Directors, namely Mr. JIANG Huihui, and Mr. SHIN Ho Chuen and being one executive Director, namely Dr. CHAN Man Fung. Mr. JIANG Huihui is the chairperson of the Remuneration Committee. The primary duties of the Remuneration Committee are to establish and review the policy and structure of the remuneration for our Directors and senior management and make recommendations to the Board on employee benefit arrangement.

During the Report Period, one meeting of the Remuneration Committee were held to review the remuneration policy and structure and to make recommendations to the Board on determining the annual remuneration packages of the Directors and the senior management, to review the Share Option Scheme and other related matters.

The attendance records of the members of the Remuneration Committee are as follows:

Name of director	Attendance/ Number of meeting(s)
Mr. JIANG Huihui (江輝輝) *(Chairman)*	1/1
Dr. CHAN Man Fung (陳文鋒)	1/1
Mr. SHIN Ho Chuen (單浩銓)	1/1

Nomination Committee

The Company established the Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules. The Nomination Committee currently comprises three members, being one executive Director, namely Ms. LI Nini and being two independent non-executive Directors, namely Mr. JIANG Huihui and Mr. SHIN Ho Chuen. Ms. LI Nini is the chairlady of the Nomination Committee. The primary duties of the Nomination Committee are to make recommendations to the Board on the appointment of members of the Board.

During the Report Period, one meeting of the Nomination Committee were held to review composition and structure of the Board, evaluate the independence of the independent non-executive Directors and recommend the Board at the annual general meeting on nomination of the re-election of Directors and review the board diversity policy.

The attendance records of the members of the Nomination Committee are as follows:

Name of director	Attendance/ Number of meeting(s)
Ms. LI Nini (李妮妮) *(Chairlady)* (appointed as the executive Director on 5 December 2024 and appointed as the chairperson of the Nomination Committee on 16 December 2024)	N/A
Mr. LIU Jie (劉傑) (resigned on 16 December 2024)	1/1
Mr. JIANG Huihui (江輝輝)	1/1
Mr. SHIN Ho Chuen (單浩銓)	1/1

Corporate Governance Functions

No corporate governance committee has been established. The Board is responsible for performing the corporate governance functions such as developing and reviewing the Company's policies, practices on corporate governance, reviewing and monitoring the training and continuous professional development of Directors and senior management of the Company, reviewing and monitoring the Company's policies and practices in compliance with legal and regulatory requirements, developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees of the Group and Directors, reviewing the Company's compliance with the Code and disclosure in the Corporate Governance Report.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as its code of conduct regarding dealings in the securities of the Company by the Directors, the Group's senior management, and employees who, because of his/her office or employment, is likely to possess inside information in relation to the Group or the Company's securities.

Having made specific enquiries to all Directors, all of them confirmed that they have complied with the required standard set out in the Model Code during the Reporting Period. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of the Group during the Reporting Period.

AUDITOR AND THEIR REMUNERATION

During the Reporting Period, the remunerations paid/payable to the external auditors, OOP CPA & Co. (appointed on 28 November 2024) and CWK CPA Limited (resigned on 28 November 2024), are set out as follows:

	Fees (RMB'000)
Audit services — annual audit	
— OOP CPA & Co.	2,657
Non-audit services — review of interim financial information	
— OOP CPA & Co.	275

In respect of matters relating to the selection, appointment, resignation or dismissal of the external auditor, the Board concurs with the view of the Audit Committee.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge that they are responsible for overseeing the preparation of the financial statements which give a true and fair view of the state of affairs and results of the Group. In doing so, the Directors opted for suitable accounting policies and applied them consistently and used accounting estimates as appropriate in the circumstances. With the assistance of the accounting and finance staffs, the Directors ensured that the financial statements of the Group are prepared in accordance with statutory requirements and appropriate financial reporting standards.

The statement of OOP CPA & Co., the external auditor of the Group, in relation to their reporting responsibilities on the financial statements of the Group is set out in the Independent Auditor's Report on pages 144 to 148.

RISK MANAGEMENT AND INTERNAL CONTROL

Assisted by the Audit Committee, the Board monitors the effectiveness of risk management and internal control systems of the Company under code provision D.2.1 to the Listing Rules, in order to protect the assets and value of the Company. The risk management and internal control systems implemented by the Company aim to manage rather than eliminate risks of failure to achieve the business objectives, and only to provide reasonable, but not absolute, assurance against material misstatement or loss.

The Company has an internal audit function in place, which is responsible for independently reviewing the effectiveness of the risk management and internal control system of the Company, and reporting the results to the Audit Committee. Internal control supervisor of the Company is responsible for coordinating the internal control, sorting out and improving the business process and management mechanism, and carrying out the effectiveness evaluation of internal control. In addition to the internal control and internal audit functions, all employees are liable for risk management and internal control within their business scope. Each business department shall actively cooperate with the internal control and internal review, report to the management on the important development of the department's business and the implementation of policies and strategies established by the Company, and identify, evaluate and manage major risks in time.

The Company has established risk management and internal control management to build general risk management and internal control environment. At present, the Company has built an internal control process framework covering procurement, sales, human resources and compensation management, marketing and promotion management, tax management, capital management, information security and intellectual property rights, financial reporting and disclosure and other business processes and carry out risk assessment regularly to ensure risk management and internal control being in operation effectively.

During the year ended 31 December 2024, the Board has reviewed the risk management and internal control system and consider them to be sound and effective. The scope of review covers key control, including the function of finance, operation and compliance control and risk management. The Board considers that the Company has substantially sufficient resource in accounting, internal audit and financial reporting, and training course and the related budget also be sufficient. The relevant review has been discussed by the management of the Company, external and internal auditor and audited by Audit Committee. The Board will review the effectiveness of the risk management and internal control system on an annual basis.

ANTI-CORRUPTION POLICY

The Company has also established policies and systems that promote and support anti-corruption laws and regulations. We require our employees to follow our employee manual and code of business conduct and ethics, which contains internal rules and guidelines regarding best commercial practice, work ethics, fraud prevention mechanisms, negligence and corruption. We also carry out regular on the-job compliance training to our senior management and employees to maintain a healthy corporate culture and enhance their compliance perception and responsibility. Our staff can anonymously report any suspected corrupt incident to the Company. The Anti-corruption Policy is reviewed and updated periodically to align with the applicable laws and regulations as well as the industry best practice.

WHISTLEBLOWING POLICY

The Company has established a whistleblowing policy and system for employees and those who deal with the Company (e.g. customers and suppliers) to raise concerns, in confidence and anonymity, about possible improprieties in any matter related to the Company.

The nature, status and the results of the complaints received under the Whistleblowing Policy are reported to the chairman of the Audit Committee. No incident of fraud or misconduct that have material effect on the Group's financial statements or overall operations for the year ended 31 December 2024 has been discovered.

The Whistleblowing Policy is reviewed annually by the Audit Committee to ensure its effectiveness.

CHANGE IN CONSTITUTIONAL DOCUMENTS

During the Reporting Period and upon the date of this annual report, there was no significant change in constitutional documents of the Company. A copy of the Articles of Association is available on the websites of the Company and the Stock Exchange.

SHAREHOLDERS' RIGHTS

The general meetings of the Company provide an opportunity for communication between the shareholders of the Company and the Board. An annual general meeting of the Company shall be held each year at the place as may be determined by the Board. Each general meeting, other than an annual general meeting, shall be called an extraordinary general meeting ("**EGM**").

1. Right to Convene EGM

Any one or more members holding at the date of the deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company, on one vote per share basis, shall at all times have the right, by written requisition to the Board or the company secretary of the Company, to require an EGM to be called by the Board for the transaction of any business or resolution specified in such requisition; and such meeting shall be held within 2 months after the deposit of such requisition.

The written requisition must state the purposes of the meeting, be signed by the requisitionist(s) and deposited to the Board or the company secretary of the Company at the Company's principal place of business, and such may consist of several documents in like form, each signed by one or more requisitionists.

The request will be verified with the Company's share registrars in Hong Kong and upon their confirmation that the request is proper and in order, the company secretary of the Company will ask the Board to convene an EGM by serving sufficient notice in accordance with the statutory requirements to all the registered members. On the contrary, if the request has been verified to not be in order, the shareholders will be advised of this outcome and accordingly, an EGM will not be convened as requested. If within 21 days from the date of the deposit of the requisition the Board fails to proceed to convene such meeting, the requisitionist(s), may convene a meeting in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

The notice period to be given to all the registered members for consideration of the proposal raised by the requisitionist(s) concerned at the EGM varies according to the nature of the proposal, as follows:

- At least 21 clear days' notice if the proposal constitutes a special resolution of the Company in EGM;
- At least 14 clear days' notice for proposal of all other EGMs.

2. **Right to Put Enquiries to the Board**

Shareholders have the right to put enquiries to the Board. All enquiries shall be in writing and sent by post to the principal place of business of the Company in Hong Kong for the attention of the company secretary.

3. **Right to Put Forward Proposals at General Meetings**

There are no provisions allowing shareholders to propose new resolutions at the general meetings under the Cayman Islands Companies Law (2011 Revision). However, shareholders are requested to follow Article 58 of the Articles of Association for including a resolution at an EGM. The requirements and procedures are set out above. Pursuant to Article 85 of the Articles of Association, no person other than a director retiring at a meeting shall, unless recommended by the directors for election, be eligible for appointment as a director at any general meeting unless a notice signed by a member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office of the Company at Building 5, Zone A, Huaxin Kechuang Island, No. 248 Qiaotou Street, Haizhu District, Guangzhou, PRC or at the registration office of the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Hong Kong, provided that the minimum length of the period, during which such notice(s) are given, shall be at least 7 days and that (if the notices are submitted after the despatch of the notice of the general meeting appointed for such election) the period for lodging of such notice(s) shall commence on the day after the despatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such general meeting. The written notice must state that person's biographical details as required by Rule 13.51(2) of the Listing Rules. The procedures for shareholders of the Company to propose a person for election as director is posted on the Company's website.

SHAREHOLDERS' COMMUNICATION

The Company has maintained a continuing dialogue with the Company's shareholders and investors through various channels, including, among others, the Company's interim and annual reports, notices, announcements and the Company's website. The Company also holds press conferences from time to time at which the Executive Directors and senior management of the Group are available to answer questions regarding the Group's business and performance.

The Company has adopted a Shareholders' Communication Policy, and that the Board has reviewed its effectiveness and considered that the communication with Shareholders during the Reporting Period are adequate and effective.

Environmental, Social and Governance Report

1. ABOUT THIS REPORT

This is the Environmental, Social and Governance report (hereafter as the "**ESG Report**" or the "**Report**") published by FingerTango Inc. and its subsidiaries (hereafter as "**FingerTango**", the "**Group**" or "**We**"), disclosing the Group's performance in environmental, social and governance aspects and its policies and control procedures on corporate social responsibility and sustainable development. The Group has actively communicated with stakeholders, striving to achieve common progress with them.

Reporting Guideline

The Report is prepared in accordance with Appendix C2 Environmental, Social and Governance Reporting Guide (the "**Guide**") of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") issued by the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The contents in the Report have complied with the requirements of "comply or explain" provisions under the Guide and that of four reporting principles (Materiality, Quantitative, Balance and Consistency). A content index for the Guide compiled by referencing this Report was appended in the last chapter of the Report for quick reference.

Materiality:	We identified material stakeholders in preparing the Report and identified material issues related to the Group's business through communication with stakeholders and materiality assessment.
Quantitative:	The statistical standards, methods, assumptions and/or calculation tools used for reporting emissions/energy consumption (if applicable) and the source of conversion factors in the Report are explained in the definition of the Report.
Balance:	The Report provides an unbiased picture of the Group's performance during the reporting period, and avoids selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the reader.
Consistency:	The statistical methods and standards used for the information disclosed in the Report are consistent with those in the previous years. Changes, if any, will be explained clearly in the Report.

Reporting Scope

The Report elaborates the Group sustainable development policies, measures and key performance indicators in respect of its core business from 1 January 2024 to 31 December 2024 (hereafter as "**the Year**" or "**Reporting Period**"). Unless otherwise specified, the Report covers the business of the entire Group.

Data Source and Reliability Statement

The data and cases in the Report are sourced from the original data generated from the actual operation of the Group and we also acquired such data through a specific procedure for collecting ESG information, including administrative documents, information documents, procedural documents, pictures and reports during the Reporting Period. The Group undertakes that the Report does not contain any false information or misleading statement or major omissions, and accepts responsibilities for the contents of the Report as to its authenticity, accuracy and completeness.

Confirmation and Approval

The ESG Report was confirmed by the management and approved by the Board of Directors on 28 March 2025.

Feedback on the Report

Your opinions on the Report are treasured by us. For any enquiry or recommendation, please feel free to contact us via the following email: ir@fingertango.com.

2. ABOUT FINGERTANGO AND 3K

FingerTango's Corporate Culture

Mission: Delight Your Life in a Tap

FingerTango has established a distinctive corporate culture built on four fundamental pillars that guide our operations, relationships, and growth strategy. These principles shape our identity and define how we collaborate to achieve our mission of "Delight Your Life in a Tap".

Achieving Each Other

Simple and Pragmatic

Proactive Responsibility

Continuous Growth

Achieving Each Other

At the heart of our culture is the philosophy of "Achieving Each Other," embodied by our commitment to mutual trust and collaborative success. This principle manifests through three key practices:

- Goal alignment, resource sharing, shared responsibility: We align our individual objectives with organizational goals, freely share resources across teams, and collectively shoulder responsibilities.
- Proactive support: We actively assist colleagues and partners, genuinely desiring to help others succeed rather than focusing solely on personal achievement.
- Perspective-taking communication: We practice empathetic understanding, communicate with others' interests in mind, and consistently seek mutually beneficial outcomes in all interactions.

Simple and Pragmatic

Our approach to work emphasizes practicality and results-oriented efficiency. This principle guides us to:

- Focus on outcomes rather than processes: We prioritize achieving meaningful results over following rigid procedures.
- Execute efficiently: We implement solutions with precision and speed, avoiding unnecessary complications.
- Address concrete problems: We take a direct approach to problem-solving, focusing on practical solutions rather than theoretical ideals.
- Communicate clearly: We value straightforward, honest communication that doesn't evade difficult truths.

Proactive Responsibility

We cultivate an environment where every team member embraces active responsibility and initiative. This principle encourages:

- Accepting responsibility: We step forward to take ownership of challenges rather than avoiding them.
- Embracing change: We adapt positively to evolving circumstances and welcome new challenges.
- Taking initiative: We proactively identify opportunities for improvement without waiting for direction.
- Strategic thinking: We maintain awareness of broader objectives while taking decisive action when team needs arise.

Continuous Growth

We believe in long-term development and incremental value creation. This principle is realized through:

- Professional learning: We continuously deepen our expertise and expand our skills through dedicated study.
- Knowledge sharing: We regularly share experiences and insights, creating a learning community where everyone grows together.
- Constructive dissatisfaction: We are never fully satisfied with current achievements, always seeking meaningful improvements and the right path forward.

These four cultural pillars — Achieving Each Other, Simple and Practical, Proactive Responsibility, and Continuous Growth — form the foundation of FingerTango's unique 3K Corporate Culture. By living these values daily, we create an environment where innovation flourishes, challenges become opportunities, and we continuously deliver exceptional gaming experiences to our users worldwide.

3. SUSTAINABLE DEVELOPMENT OF GOVERNANCE STRUCTURE

Statement of the Board

As a mobile game operation company, FingerTango pays utmost attention to the Group's sustainable development performance. In order to integrate ESG concepts into each aspect of our management, we have established a governance structure to oversee ESG matters. The Board, as the top management of the Group, is responsible for all ESG matters, and manages ESG policies and measures, sets ESG goals, reviews and prioritizes the material ESG issues identified. In addition, we formed the ESG working team to cooperate with the Board in monitoring the achievement of ESG targets and implement the policies and measures formulated by the Board in all aspects of enterprise operations.

Sustainability Strategy

FingerTango always takes social responsibility as its own responsibility, attaches importance to ESG management, and continues to integrate sustainable development with daily business operations. According to the ESG structure we have established, the Board is the final decision-making level of ESG matters. The ESG working team coordinates various tasks between the Board, executive departments and stakeholders, and each department executes various decisions made by the Board.

Decision level — Board of Directors	• Assigning authority to the ESG working team • Review and approve the Group's ESG management policies, strategies and annual work, including assessing, prioritizing and managing material ESG issues • Regularly review and supervise the achievement of ESG performance and targets • Discuss ESG material events and future development • Review ESG management effectiveness
Coordination level — ESG working team	• Identify ESG material issues and major risks of the Group • Formulate ESG planning and goal management • Coordinate ESG management and disclosure • Formulate ESG strategies and guidelines • Coordinate and organizes communication with stakeholders • Report to the Board of Directors on ESG management on a regular basis
Implementation level — ESG coordinator of each department	• Implement ESG information and policy management • Support ESG working team

Communication with Stakeholders

FingerTango maintains a structured stakeholder communication system that facilitates meaningful engagement with nine key stakeholder groups: (i) business partners, (ii) customers/users (Mobile game players), (iii) investors/shareholders, (iv) employees, (v) government and regulators, (vi) industry associations, (vii) suppliers and vendors (third-party developers, payment channels, service providers), (viii) community and society, and (ix) media and public.

For each stakeholder group, we implement tailored communication channels ranging from formal meetings and digital platforms to community events and regulatory disclosures. These engagement methods address specific stakeholder expectations while managing associated risks and capitalizing on opportunities. Business partners receive strategic-level engagement through partnership meetings and joint workshops, while customers engage through in-game feedback mechanisms and community forums. Investors are reached through formal financial disclosures and meetings, and employees through internal communications and development programs.

This comprehensive approach enables FingerTango to maintain transparent relationships, gather diverse perspectives, identify emerging issues early, and align business decisions with stakeholder needs — ultimately supporting our 3K Corporate Culture while enhancing our environmental, social, and governance performance.

Stakeholder Group	Expectations and Demands	Communication and Engagement Method	Potential Risks/Opportunities
Business Partners	– Quality game content and timely updates – Compliance with platform policies – Revenue generation and user acquisition – Innovation and exclusive content – Co-marketing opportunities	– Strategic partnership meetings – Joint development workshops – Partner portal access – Performance data sharing – Award ceremonies and developer conferences	**Risks:** Partnership disputes, changes in platform policies, dependency on key partners **Opportunities:** Joint innovation, expanded market reach, co-marketing synergies
Customers/Users (Mobile game players)	– Engaging and innovative games – Fair monetization practices – Data privacy and account security – Responsive customer service – Regular content updates – Bug-free gaming experience	– In-game feedback mechanisms – Customer service channels – Social media engagement – Player forums and communities – App store reviews – User surveys and beta testing	**Risks:** User dissatisfaction, negative reviews, data breaches **Opportunities:** Brand loyalty, viral marketing, user-driven improvements
Investors/ Shareholders	– Sustainable financial returns – Business growth and market expansion – Effective risk management – ESG compliance and reporting – Corporate governance and transparency	– Annual reports and financial statements – Investor relations meetings – ESG disclosures – Annual general meetings – Stock exchange announcements	**Risks:** Loss of investor confidence, poor financial performance **Opportunities:** Capital raising, enhanced reputation through ESG leadership
Employees	– Competitive compensation and benefits – Career development opportunities – Work-life balance – Recognition and appreciation – Safe and positive work environment – Job security	– Internal newsletters and intranet – Performance reviews and feedback – Employee satisfaction surveys – Town hall meetings – Training and development programs – Team building activities	**Risks:** High turnover, low morale, talent shortage **Opportunities:** Increased productivity, innovation, strong corporate culture

Stakeholder Group	Expectations and Demands	Communication and Engagement Method	Potential Risks/Opportunities
Government and Regulators	– Legal and regulatory compliance – Tax payments and financial reporting – Gaming content standards adherence – Data protection and privacy practices – Anti-addiction measures for minors	– Compliance reports and disclosures – Licensing applications and renewals – Regulatory consultations – Industry standard participation – Government relations activities	**Risks:** Regulatory fines, license suspension, reputational damage **Opportunities:** Favorable regulatory relationships, early adoption of standards
Industry Associations	– Active membership participation – Contribution to industry standards – Collaboration on industry challenges – Support for industry advocacy – Knowledge sharing	– Association meetings and forums – Industry conferences and events – Collaborative initiatives – Best practice sharing – Committee participation	**Risks:** Misalignment with industry trends **Opportunities:** Networking, influence on policy, industry leadership
Suppliers and Vendors (Third-party developers, payment channels, service providers)	– Fair contract terms – Timely payments – Clear specifications and requirements – Long-term partnership opportunities – Professional business relationship	– Procurement processes – Supplier performance reviews – Contract negotiations – Regular business meetings – Vendor management systems	**Risks:** Supply chain disruptions, quality issues **Opportunities:** Reliable partnerships, cost efficiencies
Community and Society	– Social responsibility initiatives – Community investment – Ethical business practices – Local employment opportunities – Environmental consciousness	– CSR reports and activities – Community events and sponsorships – Philanthropic initiatives – Public-private partnerships – Social media and public communications	**Risks:** Community opposition, negative social impact **Opportunities:** Enhanced reputation, social license to operate, local support
Media and Public	– Transparency in business operations – Noteworthy game releases and innovations – Corporate social responsibility – Industry expertise and insights – Response to public concerns	– Press releases and media kits – Executive interviews – Industry speaking engagements – Social media presence – Crisis communication protocols	**Risks:** Negative publicity, misinformation **Opportunities:** Positive brand building, thought leadership

Materiality Assessment Approach and Methodology

To ensure our ESG Report addresses the topics most significant to our business and stakeholders, FingerTango conducted a comprehensive materiality assessment during 2024. This systematic process allowed us to identify, evaluate, and prioritize the environmental, social, and governance issues that substantially influence our business performance and stakeholder decisions.

Our materiality assessment followed a structured, three-stage approach:

1. Identification of Potential Material Topics

- o Reviewed industry-specific sustainability frameworks
- o Benchmarked against ESG practices of peer mobile gaming companies
- o Analyzed regulatory requirements in our operating markets, particularly Hong Kong and Mainland China
- o Consulted internal risk assessments and strategic planning documents
- o Considered emerging ESG trends in the global gaming industry

2. Stakeholder Engagement and Assessment

- o Communicated with key internal and external stakeholders
- o Hosted focused stakeholder workshops to gather qualitative feedback
- o Assessed each topic based on:
  - Importance to stakeholders
  - Impact on FingerTango's business operations and strategy
  - Potential risks and opportunities
  - Alignment with our 3K Corporate Culture

3. Validation and Prioritization

- o Results were analyzed and presented in a materiality matrix
- o The senior management reviewed and validated the findings
- o Material topics were categorized by priority level and management approach
- o Results were approved by the board of directors of the Company

Stakeholder Engagement and Material ESG Topics

We engaged with nine key stakeholder groups to comprehensively understand their expectations and concerns:

Stakeholder Group	High Priority ESG Topics	Medium Priority ESG Topics	Monitored ESG Topics
Business Partners	– Product quality and innovation – Intellectual property protection – Data security and privacy protection – Business ethics and anti-corruption	– Platform partnership management – Information security governance	– Economic performance
Customers/Users (Mobile game players)	– Data security and privacy protection – Healthy gaming and anti-addiction measures – Product quality and innovation	– Responsible content and marketing	– Digital inclusion
Investors/ Shareholders	– Business ethics and anti-corruption – Product quality and innovation	– Climate change response	– Corporate governance – Economic performance – Carbon emissions management
Employees	– Employee development and talent retention – Business ethics and anti-corruption	– Information security governance – Diversity and inclusion – Employee health and well-being	– Energy and resource efficiency
Government and Regulators	– Healthy gaming and anti-addiction measures – Data security and privacy protection – Business ethics and anti-corruption	– Responsible content and marketing	– Corporate governance – Environmental impact
Industry Associations	– Healthy gaming and anti-addiction measures – Intellectual property protection – Business ethics and anti-corruption	– Responsible content and marketing	– Digital inclusion – Corporate governance

Stakeholder Group	High Priority ESG Topics	Medium Priority ESG Topics	Monitored ESG Topics
Suppliers and Vendors (Third-party developer, payment channels, service providers)	– Business ethics and anti-corruption	– Information security governance	– Supply chain management – Environmental impact – Economic performance
Community and Society		– Climate change response	– Community investment – Digital inclusion – Environmental impact – Carbon emissions management – Energy and resource efficiency
Media and Public	– Healthy gaming and anti-addiction measures – Data security and privacy protection	– Responsible content and marketing	– Community investment – Corporate governance

4. CUSTOMER AND BUSINESS PARTNER

4.1 Product Quality and Innovation

By our core principle, "Delight your life in a tap", the quality of the game product is crucial to the key to its success and sustainability. Therefore, the Group is committed to publishing high-quality games and having stringent game selection procedures to ensure better gaming experience for players. The Group continues to improve its technical services and player services and provides valuable technical support to game developers according to their specific needs. The Group also enhanced its game development capabilities by investing more in research and development. In addition, the Group has established a comprehensive game development and publishing process and will produce the display version of its games and conduct multiple rounds of testing before the games are officially approved for publishing to ensure the quality of the games and player experience. At the same time, we believe that the communication with players and business partners and ensuring their satisfaction could assist us to achieve the long-term and greater success.

4.2 Innovative Gaming Experience

Gaming Philosophy and Portfolio

FingerTango embraces the core concept of "Delight your life in a tap," focusing on creating high-quality mobile game products and services that prioritize player experience above all else. Our diverse game portfolio spans multiple genres including strategy, role-playing, simulation, and casual games, each designed to deliver immersive entertainment while maintaining our commitment to responsible gaming practices.

Flagship Games Portfolio

Super Beast (《巨獸戰場》)

Our award-winning strategy mobile game Super Beast exemplifies our innovative approach to game development. This flagship title combines prehistoric super beast technologies with high-definition 3D modeling to create a visually stunning battlefield experience. Players can explore diverse environmental settings including jungles, oceans, and mountains, while collecting and taming over one hundred unique super beasts from sea, land, and air.

The game has received significant recognition across major mobile platforms:

- "Best Online Game" award from HONOR at the HONOR Developer Conference 2024
- "Best Content Innovation Strategy Mobile Game" from HUAWEI at the Huawei Developer Conference 2023
- "Black Stone Award" from the Mobile Hardcore Alliance, recognizing it as one of the most popular online games
- "Emerging Breakthrough Mini Game" award from Tencent's WeChat Mini Game Honor 2024

Tank Frontline (《坦克前線》)

This WWII-themed SLG (simulation game) offers players an authentic tank warfare experience. Launched in July 2014, Tank Frontline allows players to command various tanks, artillery, combat vehicles, and rocket launchers in extensive battle maps that support strategic gameplay including blitzkrieg tactics, tactical raids, and long-distance assaults. The game features an advanced 4D perspective system for comprehensive operational control and supports massive multiplayer engagement across vast maps filled with resource points.

Heroes of the Three Kingdoms (《超級群英傳》)

A Three Kingdoms-themed RSLG (real-time strategy and role-playing game) launched in December 2014, Three Kingdom Heroes recreates classical battlefields from ancient China including the Battle of Red Cliffs, Changban Slope, and Wuzhang Plains. The game features both individual PVP combat and large-scale nation versus nation warfare, where players can lead armies, develop strategies, and forge alliances to achieve dominance. Its combat system emphasizes tactical coordination between commanders and soldiers, offering players an authentic ancient battlefield experience.

Mirror Story (《魔鏡物語》)

This dark fantasy RPG invites players into a mysterious fairy tale world where classic stories are subverted and reimagined. The game features uniquely redesigned fairy tale characters in scenarios where traditional roles are reversed–Snow White becomes a schemer who eliminates the queen, while Little Red Riding Hood dons a wolf's skin. With its Q-style characters contrasted against dark themes, the game offers strategic gameplay through attribute and skill restraints, unique spirit mechanics, and flexible evolution systems.

Star Destiny (《星辰奇緣》)

An immersive MMORPG featuring six distinctive character classes including Magic Guide (area damage specialist), Battle Bow (burst damage expert), Crazy Sword (single-target damage dealer), Secret Words (healing support), Beast Spirit (control specialist), and Moon Soul (control and purification expert). Each class offers unique combat abilities and team roles, allowing players to form strategic parties for PVE and PVP challenges. The game delivers high-quality 3D environments and skill effects within a rich fantasy world.

Super Battleship (《超級艦隊》)

Launched in July 2015, this naval strategy SLG allows players to build and command powerful fleets across maritime battles. The game combines strategic resource management with tactical fleet deployment in a competitive multiplayer environment.

My Duty (《我的使命》)

A simulation game developed through commissioned development, My Duty represents FingerTango's efforts in creating engaging SLG experiences with unique gameplay mechanics and progression systems.

Responsible Innovation

In developing our games, FingerTango maintains a balance between innovation and responsibility. All our games incorporate:

- Accessibility features: Ensuring players of diverse abilities can enjoy our content through intuitive interfaces and customizable controls
- Age-appropriate content: Creating engaging experiences suitable for our target demographics while maintaining clear content ratings
- Anti-addiction measures: Implementing time-limiting functions and reminders to encourage healthy gaming habits, particularly for younger players
- Data privacy protection: Employing industry-leading safeguards for player information and transparent data policies

Cross-Platform Availability

FingerTango's commitment to reaching a broad audience is reflected in our cross-platform strategy. Our mobile games are available for download on both Android devices through major Chinese app stores and on Apple iOS devices through the App Store. This dual-platform approach ensures our games are accessible to the widest possible audience, allowing players to enjoy our content regardless of their preferred mobile device.

Platform Partnerships

FingerTango has established partnerships with major mobile platforms including HUAWEI, HONOR, Xiaomi, vivo, OPPO, and Tencent. These collaborations have enhanced our distribution capabilities and technological innovation, allowing us to deliver optimized gaming experiences across different device ecosystems. In 2024, we received multiple partner awards from our business partners.

Through our diverse portfolio of mobile games spanning multiple genres and themes, FingerTango remains committed to our mission of bringing joy and delight to players' lives while upholding the highest standards of product quality, technological innovation, and social responsibility.

4.3 Awards and Honours

The following table presents awards and recognitions received by FingerTango Inc. during the Reporting Period, demonstrating the Group's comprehensive excellence across multiple dimensions of its mobile game publishing and development business.

Name of Awards	Awarding Organization and event	Stakeholders to FingerTango	Awarded aspect
Petal Gaming Services — Innovation Partner PGS創新合作夥伴	HUAWEI — Huawei Developer Conference 2024 華為 — 華為開發者大會2024	Business Partner	Strategic innovation in gaming services and platform integration
HarmonyOS Native Game Launch Commemorative Badge 鴻蒙原生遊戲上架紀念章	Huawei — Building HarmonyOS Together at the Right Time 華為 — 共建鴻蒙正當時	Business Partner	Early adoption and development for HarmonyOS ecosystem
Best Online Game — Super Beats 最佳網絡遊戲 — 巨獸戰場	HONOR — HONOR Developer Conference 2024 榮耀 — 榮耀開發者大會2024	Business Partner	Game quality and user experience excellence
Most Popular Game Publisher 最具熱度遊戲廠商	Xiaomi — 2024 APP of MI AWARD 小米 — 2024艾米獎	Business Partner	User engagement and popularity on platform
Most Promising Game Publisher 最具潛力廠商	Xiaomi — Game Developers Conference 2024 小米 — 小米遊戲開發者大會2024	Business Partner	Future growth potential and innovation capability
2024 vivo Best Online Game — Super Beats 2024 vivo年度最佳網絡遊戲 — 巨獸戰場	vivo — vivo Developer Conference 2024 vivo — 2024 vivo開發者大會	Business Partner	Emerging partnership excellence and game performance
2024 vivo Rising Star Partner 2024 vivo年度新銳合作夥伴			Outstanding new partnership development and growth
Annual Potential Partner 年度潛力合作夥伴	OPPO — OPPO Developers Conference 2024 OPPO — OPPO開發者大會2024	Business Partner	Future collaboration potential and strategic alignment
Annual Outstanding Marketing Cooperation Game — Super Beast 年度傑出營銷合作遊戲 — 巨獸戰場			Excellence in joint marketing campaigns and promotion

Name of Awards	Awarding Organization and event	Stakeholders to FingerTango	Awarded aspect
Black Stone Award — Super Beats 黑石獎 — 巨獸戰場	Mobile Hardcore Alliance — 8th Hardcore Annual Most Popular Online Game 硬核聯盟 — 第八屆硬核年度最受歡迎網絡遊戲	Business Partner	Popularity among hardcore gaming community
Emerging Breakthrough Mini Game — Super Beast 新鋭突破小遊戲 — 巨獸戰場	Tencent-WeChat Mini Game Honor 2024 騰訊-微信小遊戲榮譽.2024	Business Partner	Innovation in mini-game format and breakthrough performance
Xiangyang Award — Outstanding Advertiser of the Year for Brand and Performance 向陽獎 — 年度品效傑出廣告主	Tencent Advertising 騰訊廣告	Business Partner	Excellence in balancing brand building and performance marketing
2023 High — Tech Enterprise 2023年高新技術企業	Department of Finance of Guangdong Province 廣東省財政廳 Guangdong Science and Technology Department 廣東省科學技術廳 Guangdong Provincial Tax Service, State Taxation Administration 國家税務總局廣東省税務局	Government	Technological innovation and R&D investment
Feiyang Rising Star Award 飛揚新鋭獎	"Net-Forge 2024" and "Panshi Operation" 2024 Cybersecurity Red-Blue Exercise for Shanghai Industrial and Informatization Sector "鑄網2024"和磐石行動 — 網絡安全實戰攻防活動	Government	Excellence in cybersecurity practices and defense capabilities
2022–2023 Shanghai Enterprise of Observing Contract and Valuing AAA Contract Grade for 2022–2023 2022–2023年度上海市守合同重信用企業合同信用等級認定為AAA級	Shanghai Contract Credit Promotion Commission 上海市合同信用促進會	Government	Business ethics and contract compliance excellence

Name of Awards	Awarding Organization and event	Stakeholders to FingerTango	Awarded aspect
2023 Winner Award 2023年度優勝獎	Shanghai Lantian Economic City 上海藍天經濟城	Community	Overall business performance and community contribution
2023 Comprehensive Strength Gold Award 2023年度綜合實力金獎			Comprehensive business strength and community leadership
2023 Most Dedicated Enterprise 2023年度至臻奉獻企業	Guangzhou Games Industry Association 廣州市遊戲行業協會	Industry Association	Dedication to industry development and contribution
Golden Diamond List — 2023 Social Responsibility Award 金鑽榜 — 2023年社會責任獎	Guangdong Entertainment & Game Industry Association 廣東省遊戲產業協會	Industry Association	Corporate social responsibility initiatives and impact
2023 Excellent Online Game Enterprise 2023年度優秀網絡遊戲企業			Excellence in online game development and operation
Vice President Unit of the 3rd Council 第三屆副會長單位	Guangdong Game Industry Association 廣東省遊戲產業協會	Industry Association	Industry leadership and association governance
2024 Top 50 Comprehensive Internet Enterprises in Shanghai 2024年上海市互聯網綜合實力前五十家企業	Shanghai Internet Association 上海市互聯網協會	Industry Association	Overall internet business strength and market position
Top 20 Guangdong Game Enterprises 廣東遊戲企業20強	Guangdong Game Industry Association — Golden Diamond Award 廣東省遊戲產業協會 — 金鑽盛典	Industry Association	Regional industry leadership and market influence
2024 Shanghai Top 100 Private Service Enterprises 2024年上海民營服務業企業100強	Shanghai Enterprise Confederation 上海市企業聯合會 Shanghai Entrepreneurs 上海市企業家協會 Association Liberation Daily 解放日報社	Industry Association	Private sector service excellence and economic contribution

Overview of Awards

The awards originate from four key stakeholder categories:

- Business Partners: Major technology and platform companies including HUAWEI, HONOR, Xiaomi, vivo, OPPO, and Tencent
- Industry Associations: Recognitions from organizations like Guangdong Game Industry Association, Shanghai Internet Association, and Shanghai Enterprise Confederation
- Government Entities: Including technology certifications and cybersecurity acknowledgments from provincial authorities
- Community Organizations: Local recognitions from Shanghai Lantian Economic City

Key Recognition Areas

FingerTango's awards highlight excellence in five primary aspects:

1. Game Quality and User Experience: Multiple awards for "Super Beats" (巨獸戰場) as an outstanding online game across different platforms
2. Strategic Partnerships: Recognitions as a rising star partner and potential collaborator from major mobile platforms
3. Technical Innovation: Acknowledged for HarmonyOS native game development, high-tech enterprise status, and cybersecurity capabilities
4. Marketing Excellence: Honored for outstanding marketing cooperation and advertising strategies
5. Corporate Responsibility: Recognized for contract compliance, social responsibility initiatives, and community contributions

Geographic Influence

The awards demonstrate FingerTango's significant presence in both:

- Guangdong Province: Multiple recognitions from Guangdong game industry associations
- Shanghai: Acknowledgments as a top internet enterprise and private service company in Shanghai

This diverse portfolio of awards validates FingerTango's multi-faceted business approach and confirms its position as a respected player in China's competitive mobile gaming industry, with particular strength in platform partnerships, game quality, and regional business leadership.

4.4 Satisfaction of Business Partners

Most of our awards were from our business partners, which is one of our key stakeholders. The awards were mainly related to (i.) our innovation and content of the game products, (ii.) our marketing effort and brand influence, and (iii.) sales performance. We understanded the needs and demands of our business partners. As one of their roles as a mobile application distributor in their smartphone products, they need innovative and marketable mobile game products to generate the value to their smartphone users and support their business growth by obtaining profit share from their users subscription of services and products in our game products. The success of our business partners is also the success of us which reflect our company value "Achieve each other — Mutual Trust, Mutual Help, Win-Win Cooperation". Therefore, we listened to the opinion our customers as well as our business partners and attached great importance to their satisfactions.

4.5 Communication with Customers

FingerTango is guided by customer experience and needs, and adheres to providing high-quality products and excellent services. The Group offers game players with a wide range of player services and technical support, not only committed to satisfying the needs of our players, but also aimed at understanding the expectations of target customers through communication with players so as to constantly optimise our games and services. We establish a series of internal and external communication channels for players to express their opinions, answering queries and conduct in-depth research on user needs in order to improve the game experience and our service quality in a targeted manner.

Players' expression channel	Measure
Internal	• GM hotline • Game K diagram • 3K official website • GM function in system setting • Official WeChat account • Game feedback function • Site visit to our office
External	• 12315 consumer complaint hotline • Industry and Commerce Bureau • Culture and Tourism Bureau • Cultural law enforcement system • Consumer Rights Protection Association • Ministry of Industry and Information Technology

4.6 Players Community

Except for the communication with the players, we also established an online community forum for the players to discuss with each other and express their views and opinions about our game products. We established a policy of Community Monitoring Work Instructions and allocate enough customer services representatives to manage the online forum in order to collect the customers feedbacks and prevent the risk of violation of laws and regulations during the discussion between players.

We provided incentives and rewards to the players who actively provide contributions such as creation of qualitative post, answering to players questions and participation to our online events, to the online forum. In addition, in order to give back to players and shorten the distance between us and consumers, we opened an official Weibo account and regularly carried out forwarding and lucky draw activities to give back to players. In addition, we have also provided free benefits, such as daily gifts, limited benefits, exclusive benefits and others, for players. Players may also enter the player community through the WeChat public account, looking for like-minded players to explore the fun of the game together.

4.7 Focus on Service Quality

FingerTango committed to creating a good service experience for players by strictly monitoring the quality of customer service. In order to ensure the service quality, we have formulated the 3K Regulations on Quality Inspection to supervise customer service quality and quantity. We conduct online quality checks with no less than 100 calls per day and implement a scoring mechanism to score four levels of A+/A/B/C for customer service. We also analyze the quality inspection data on a weekly and monthly basis to monitor the quality of service. We are committed to maintaining fairness in the game and protecting the interests of players. We have formulated the Game Work Sheet Handling Procedure of GM Customer Service Center, under which the customer service staff verifies the abnormal issues and the players' complaints by logging into the game backstage to verify the log information. We quickly crack down on click farming by players and block accounts with click farming.

FingerTango strictly controls product quality, taking players' gaming experience as our primary development goal. Our Complaint System Manual has improved customer feedback processing efficiency across complaint sources, handling procedures, and information return channels. For 11 specific complaint types including account security, charging issues, and game abnormalities, we've established preset handling protocols to ensure efficient and enjoyable player experiences.

Complaint type	2024	2023
Game abnormity	36	106
Re-charge by minor	79	54
Account re-charge	24	5
Misconduct report	15	4
Punishment measures	15	3
Customer services	3	—
Total	172	172

While our total complaint volume remained steady at 172 cases from 2023 to 2024, we observed notable changes in complaint distribution. Game abnormality reports decreased significantly from 106 to 36 cases (66% reduction), demonstrating our improved technical stability. However, we experienced increases in several categories:

- Re-charge by minor complaints rose from 54 to 79 cases, reflecting our growing player base and highlighting an area for enhanced controls
- Account re-charge issues increased from 5 to 24 cases
- Both misconduct reports and punishment measures complaints increased nearly fourfold (from 4 to 15 and from 3 to 15 respectively)
- Customer service complaints in 2024, recording 3 cases

To address these evolving patterns, we've implemented the 3K GM Telephone Complaint Reception Guidelines, equipping our customer service team with enhanced communication skills. We have also developed game-specific customer service workflows based on game characteristics and player demographics.

To address the significant increase in re-charge by minor complaints (from 54 to 79 cases), we will strengthen our existing "Minors Parent Guardian Project" by increasing its visibility and creating in-game prompts during purchase attempts. The system already enables parents to submit guardian qualifications, limit daily gaming time duration and schedules, restrict gaming to weekends, and implement complete prohibitions if necessary. We will also enhance our minor protection guidelines by actively promoting FingerTango's "Healthy Online Gaming Tips for Minors" which recommends students play no more than 2 hours weekly, limit monthly spending to no more than RMB10, and avoid time-intensive games. Additionally, we will implement advanced AI-based detection systems to identify potential minor accounts based on behavioral patterns, add mandatory cooling-off periods between purchases, and create automatic spending alerts when approaching monthly limits.

For account re-charge issues (increased from 5 to 24 cases), we will enhance payment system reliability through a thorough technical audit of payment processing systems, improved error handling with clear user guidance during transaction failures, and automatic verification notices for successful purchases. We will streamline dispute resolution by creating a dedicated team for handling payment disputes using expedited protocols, implementing clear refund policies for verified technical errors, and developing a prevention program with prompt customer outreach for problematic transactions.

To address the nearly fourfold increase in misconduct reports and punishment measures complaints, we will enhance our community guidelines to align with FingerTango's recommendation to "maintain positive and healthy gaming attitudes" and avoid comparison, showing off, hatred and revenge psychology. We will create educational content within games about acceptable behavior and implement a progressive warning system before punishment measures. Fair enforcement processes will be established through multi-tier review for punishment decisions, an appeals system with independent reviewer oversight, and standardized responses for common violation types.

Beyond handling routine inquiries, our focus extends to player retention by understanding and addressing turnover factors. Our Specific Procedures for Complaints now differentiate between internal complaints and those from external channels (industry organizations, business administration departments, and consumer associations), ensuring we effectively resolve player concerns and meet reasonable requests across all communication channels.

4.8 Advertisement Management

The Group uses a variety of advertising and promotional programs to market its games. We have a dedicated team that collaborates with our publishing team to plan and execute marketing and promotional programs that suit the demographics and characteristics of our target groups of game players. Depending on the target audience's preferences, the Group uses different online advertising forms such as feeds, online video commercials, loading screen commercials and in-app commercials, and uses artificial intelligence and big data to check the quality of the content and commercial effectiveness. By analysing our game player demographics and behaviour data, we may also choose our offline marketing and promotion activities to achieve the best publicity with commercial efficiency. Moreover, the Group takes part in various industry expos and conferences to promote our games and achieve maximum exposure.

The Group has established guidelines related to advertising and labelling to regulate product advertising issues. When placing advertisements, we will review the existence of reactionary, violent, pornographic, gambling, superstition, discrimination, propaganda of terrorism and other illegal situations, false propaganda, etc., and shall not induce consumers. If any problem exists, we will enforce the advertisement to be taken off the shelves, and correct and solve the problem in time. The Group strictly follows the Advertising Law of the People's Republic of China, the Interim Measures for the Administration of Internet Advertising and other relevant laws and regulations, and has formulated the Regulations on Review of Advertising Content.

4.9 Privacy Protection Policy

Due to our business nature, the Group receives, transmits, and stores information related to the players' personal information and the data generated during the use of its products during its operations, the Group firmly believes that adequate maintenance, storage, and protection of user data and other related information is an important responsibility of our continuous business development. The Group strictly abides by the Safety Protection of Computer Information System Regulations of the People's Republic of China, the Cybersecurity Law of the People's Republic of China, the Provisions on Technological Measures for Internet Security Protection, the Administrative Measures on Internet Information Service of the People's Republic of China, the Administrative Measures on the Security Protection of Computer Information Network with International Connections and other laws and regulations. We value the protection of players' personal information and we have formulated the 3K Game Privacy Policies explaining how we collect, use, store, provide and protect the personal information of players, and how players can manage their personal information. We will only retain player information for the period necessary for the purposes stated in the 3K Game Privacy Policies and for the period required by laws and regulations. In addition, players also have the right to request us to delete or cancel all service information and data related to their personal information account.

The 3K Game Privacy Policies also cover how the Group handles the personal information of children under 14 years old, including how it collects, uses, stores and protects their personal information when they use the game products and services operated by the Group. We have appointed a specific person to take charge of protecting the personal information of children, and we follow the relevant policies strictly to safeguard their personal information. If there are any questions, comments or suggestions related to this, the Group will deal with them and reply promptly to ensure the proper resolution of the issues.

4.10 Internal Information Security

Data security is crucial for FingerTango. We value our own network information security and the privacy of every customer. For internal information security, we have formulated the Information Safety Management System, Information Safety Confidentiality System, Network Safety Operation Management System, Information Safety Technology Protection Policies and other policies to guide the implementation of security work in information system, effectively ensure the implementation of various security responsibilities, and ensure the construction of a secure online gaming platform. In addition, we have established an information security group to jointly implement, inspect, and update information security protection technologies with other relevant technical departments. Meanwhile, we have established an independent contact group for each department to convey various emergency information and instructions through 24-hour phone calls, emails, SMS alerts, and other means. We will take effective and necessary measures to protect the security of personal information collected from users, and use commercially reasonable security technical measures to protect personal information from unauthorized access, use, or leak. Meanwhile, we will use genuine antivirus software to prevent computer viruses, and keep our virus database updated and scanned regularly to ensure virus prevention. For important databases and systems, we conduct off-site disaster recovery and regular full backups through the intranet to ensure data transmission security and disaster recovery.

We also regularly organise information compliance training for employees. In order to avoid any loss of information and ensure information control, all information generated on our leased cloud servers are backed up immediately on the leased cloud servers and stored in accordance with local laws and regulations.

In case of any unfortunate security incident such as information leakage, we will immediately activate the emergency plan to prevent the expansion of the security incident, and report it to the relevant competent authorities in a timely manner in accordance with the requirements of laws and regulations. We will inform players of the relevant conditions of the incident by email, push notification or announcement. During the reporting period, we have not experienced any material leakage or loss of users' information.

During the reporting period, the Group did not have any complaints or litigation regarding data protection and privacy protection.

4.11 Protection of Intellectual Property Rights

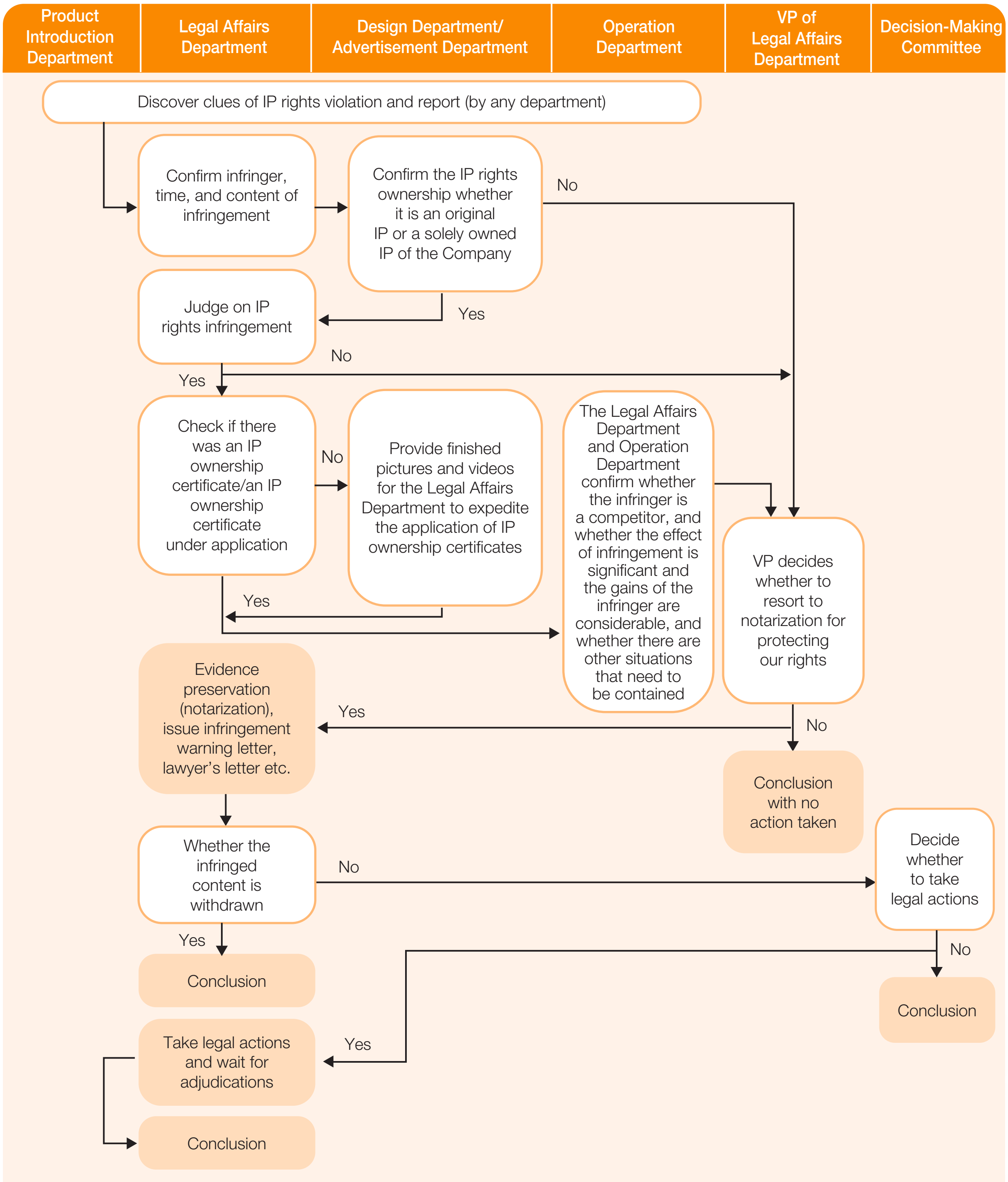
As a mobile game company, the Group is clear that intellectual property is a reflection of our employees' creativity and that safeguarding it is the basis for our sound development. The Group strictly abides by relevant laws and regulations, such as the Intellectual Property Law of the People's Republic of China, the Patent Law of the People's Republic of China, the Trademark Law of the People's Republic of China and other relevant laws and regulations to maintain and protect its own intellectual property rights and respect the intellectual property rights of others.

To protect the legal rights of the Group, we have established a comprehensive intellectual property rights management system and protection process to assist us in giving feedback when necessary through the coordination of multiple departments. When cooperation is confirmed, product introduction staff, game designer and producer and operation staff are required to provide game names, finished pictures and videos and the tentative game names respectively within one working day for the staff of Legal Affairs Department to apply for intellectual property rights ownership certifications. Any department can report any potential infringe, including but not limited to infringing links and screenshots, and submit the clues to our legal staff to verify the infringer, infringement time and infringed content. The game designer and producer shall then determine whether such content belongs to the original or exclusive intellectual property of the Group, and the Legal Affairs Department shall make the conclusion of infringement or not. In case of refusing to withdraw the infringed content, the Decision-Making Committee will determine if any legal action is necessary.

We also respect the intellectual property rights of others. The Legal Affairs Department also holds regular awareness and training sessions on intellectual property rights for our employees to respect and prevent the illegal use of other people's works. All terminal equipment and information systems of the Group have been installed and used genuine software, and employees are strictly prohibited to download or use unauthorized software and files illegally.

FingerTango Inc. maintains a robust intellectual property portfolio that is critical to the Group's success in the competitive mobile gaming industry. The Group has consistently expanded its intellectual property assets through strategic trademark registrations and patent applications demonstrating the Group's ongoing commitment to protecting its gaming innovations, brand assets, and technological developments.

Procedure of IP rights protection



4.12 Health and Safety of Games

The Group strives to provide healthy and safe game experience and focuses on the physical and mental health of players, especially minors. We proactively followed the Notice on Further Strict Management, Practical Prevention of Minors' Addiction to the Internet and the Implementation Plan for Comprehensive Prevention and Control of Juveniles' Myopia and other national policy plans to create enabling environment for the growth of minors. As required by the management and control of the nation, we have also implemented the real-name system and anti-addiction system, as well as introduced advanced technologies from various industries, in order to improve the protection system of minors as a whole.

4.13 Game Real Name Validation

We have established the Anti-addiction Real-name Authentication System for Online Games as required by the National Press and Publication Administration (NPPA). Players are required to fill in valid identification information and play games after validation, with an aim to manage various game playing durations and topping up amounts related to minors.

4.14 Real-Name Game Topping Up

Corresponding limits have been set for playing, topping up and consumption:

- Guest mode without real-name validation and registration provides less than 1 hour game playing duration, during which users cannot conduct topping up and consumption; such mode is accessible once every 15 days for the same device;
- Users under the age of 8 cannot top up and will receive a message of "You have been listed in the anti-addiction system pursuant to your identification information, and you may not top up in accordance with related requirements";
- For minor users aged above 8 and below 16, the single top-up amount shall not exceed RMB50, and the accumulated monthly top-up amount shall not exceed RMB200;
- For minor users over 16 years old, the single top-up amount shall not exceed RMB100, and the accumulated monthly top-up amount shall not exceed RMB400.

4.15 Anti-addiction System

The duration and the time interval of game services for minors has been set:

- Juvenile users can use 1 hour online game service from 20:00 to 21:00 on Fridays, Saturdays, Sundays and statutory holidays.

To restrict minors from addicting to online games, we have continued to optimize related management policies, established and implemented the protection plan for minors, and created a healthy online game environment. Minors who participate in our games should be allowed by their parents or legal guardians who should supervise and guide the minors to play. Meanwhile, we published the "Tips on the Health of Minors Participating in Online Games" to hope their parents or legal guardians in establishing the "Parents' surveillance System" with us. As such, we can work together with their parents to guide minors in proper participation in online games as we reasonably restrict minors spending their time on online games. Also, parents, by virtue of the legal guardian qualification, may apply for restriction measures for the account number of minor players in ways that limits the time length of children's game play on mobile phones or banned the account. If the account is banned, all attributes of the account remain unchanged, and the account owner can apply for the release of the account and then regain all the virtual property after attaining the legal adult age.

We have set up a dedicated consumer customer service department to provide various customer service methods including online consultation and hotline to serve consumers. After receiving suggestions or complaints from consumers, we will respond as soon as possible by proactively getting in touch with consumers to understand consumers' complaints, and then solve problems in a timely manner. For minor consumers, we will arrange special customer service personnel to connect with them, and priority will be given to solve problems related to minor users. We will strictly abide by national laws, regulations and administrative regulations, and implement guidance and restrictive measures for minor users to participate in online games, thereby protecting the healthy growth of minor consumers.

4.16 Healthy Game Platform

FingerTango understands that online games should not only satisfy the entertainment and leisure of players, but also enrich the spiritual life of players as much as possible. In order to protect the sound civilized atmosphere of the game platform, we have established forbidden blocked vocabularies and regularly updated them to filter bad information. The Group also strictly abides by the laws and regulations such as the Consumer Rights Law of the People's Republic of China. At the same time, we have also set up supervision and complaint channels to maintain a harmonious game environment for players, and are committed to building an active and healthy game platform.

During the reporting period, the Group did not violate any relevant laws and regulations in respect of health and safety, advertising, labeling and privacy matters relating to products and services, nor was there any products and services subject to recalls for safety and health reasons.

5. EMPLOYEES

5.1 Focus on Talents

FingerTango understands that employees are solid foundation and valuable wealth for a corporation. In this regards, in addition to protecting legitimate rights and interests of employees, we also continuously improve employment system, provide various trainings and creating a diverse and equal working atmosphere.

5.2 Employment Management

In terms of human resources management, FingerTango insists on an approach of people-oriented, fully respects the value of each employee and is committed to creating a comfortable working environment for employees. In order to achieve long-term and stable growth of the Group and attract and retain outstanding talents, the Group strictly complies with the laws and regulations such as the Labour Law of the People's Republic of China, Labour Contract Law of the People's Republic of China, the Social Insurance Law of the People's Republic of China, the Tax Law of the People's Republic of China and other laws and regulations to provide its talents with reliable remuneration and comprehensive welfare. We persists equal employment with no discrimination arising from race, gender, religion, age, family status or other factors in recruitment, assessment, promotion, career development, welfare and other aspects, so as to protect the rights and interests of each employee.

Based on the business development, the Group regularly conducts talents recruitment, and seeks for talents through various channels. All employees sign labour contracts with the Group voluntarily and in accordance with the law. We conduct background checks on prospective employees through a rigorous recruitment process, and require applicants to provide documents such as identification documents. For any employee with acts of fraud, the Group has the right to terminate the labour relationship with such employee immediately, without any economic compensation and preserves the right to recover the loss caused by such employee. When considering the promotion of an employee, the human resource department and the head of department will conduct a joint review on the employee taking into account of length of work and performance.

We strictly prohibit and resist any form of child labour and forced labour, and fully respect employees' independent choices. We have formulated 3K Employee Handbook to protect rights and interests of employees. A shift system is adopted to ensure sufficient resting time for employees based on their positions and resolutely eliminate forced labour. In addition, employees are entitled to determine their leaving and staying, and we will assist with the resignation procedures.

During the Reporting Period, there were no cases of non-compliance in relation to remuneration, recruitment and promotion, working hours, holidays, equal opportunity, diversity, anti-discrimination and other benefits and welfare, nor were there any cases of non-compliance in relation to the employment of child labour or forced labour.

5.3 Focus on Employees' Well-being

FingerTango attaches great importance to employees' well-being. We provide employees with a variety of welfare in accordance with the Employee Handbook and make relevant adjustment based on the actual situation.

We provide employees with following welfare:

Welfare	Projects
Basic security benefits	• Social security and provident fund • Commercial insurance • Health protection
Paid leave	• Employees are entitled to paid leave in accordance with national and local laws
Caring of employees	• Gifts or cash for festivals • Gifts or cash for birthdays • Cash for weddings for benediction • Cash for funerals for condolences
Activities	• Departmental activity funds • Travel at least once a year

We have enacted the Employee Welfare Management System and fulfilled its legal obligations by paying pension, medical insurance, maternity insurance, work injury insurance, unemployment insurance and housing fund, and tried to help employees deal with their concerns in life as much as possible. We provide paid public holidays. For those who cannot enjoy statutory rest day due to the arrangement of the Company, overtime wages will be given for works during holidays according to the Labour Law of the People's Republic of China. We also provide paid annual leave, sick leave, wedding leave, maternity leave, breastfeed leave, and funeral leave based on employees' needs.

5.4 Focus on Employees' Health and Safety

FingerTango regards employees' health and safety as the top priority in its operations. The Group strictly abides by the Provisions on the Supervision and Management of Occupational Health at Work Sites, the Industrial Injury Insurance Regulations of People's Republic of China, the Fire Protection Law of the People's Republic of China and other rules and regulations relating to safety and fire safety in workplace, and takes practical actions to ensure the safety and health of employees.

5.5 Daily Safety

In order to ensure workplace safety and provide a healthy and comfortable working environment for employees, we always strive to eliminate safety hazards in work sites to improve safety and comfort in work sites. In terms of fire safety, we have formulated the Procedure of Security Service Works with the security company to strengthen the patrol checks on lighting equipment, air-conditioners and other electrical switches, in order to ensure the electricity safety of the office. Meanwhile, we regularly inspect fire escape and fire equipment to ensure the fire escape of office floors is free from obstruction and no expired or damaged fire equipment. Furthermore, we also improve employees' awareness of fire safety by posting safety signs in the workplace and through internal safety communications of personal safety.

In terms of food safety, we carefully select our catering service suppliers to provide healthy, safe, nutritious-balanced meal packages. When selecting suppliers and signing contract with them, we require the suppliers to ensure the food quantity, temperature, quality and safety. We will collect employees' opinions on food quality and will give feedback to the suppliers to rectify accordingly, and we will change the suppliers if they fail to satisfy our employees' requirement after rectification.

In terms of the physical health of our employees, we arrange annual body check for employees, and provide employees with comprehensive health protection covering disease prevention, accidents, vital diseases, illness and death, and in-hospital treatment, so as to help employees identify and respond to various accident risks. Meanwhile, we also provide employees with commercial insurance and two days of paid sick leave per month as one of the regular benefits. We have also spared a specific plan to assist employees in the treatment of work-related injuries during office hours and follow-up work-related injury applications to cater for the special needs of the injured employees. We also advocate employees do sports to enhance their physical fitness, therefore we equipped a gym in the office and organize weekly sports activities such as badminton, football and basketball, and provides employees with ergonomic desks and chairs to prevent shoulder and neck strain caused by long sitting in the office.

During the Reporting Period, the Group did not receive any complaints and litigations regarding violations of health and safety laws.

The followings were the cases of work-related fatalities and injuries in the reporting year:

Occupational Health and Safety	Unit	2024	2023	2022
Work-related Injuries and Fatalities of Directly Employed Workers				
Rate of work-related fatalities occurred in each of the past three years including the reporting year	Percentage	–	–	–
Number of work-related fatalities occurred in each of the past three years including the reporting year	no. of people	–	–	–
Number of work-related injuries occurred in each of the past three years including the reporting year	no. of people	–	2	–
Lost days due to work injury	days	–	122	–

Work-Related Fatalities and Injuries Overview

The Group maintained an excellent occupational health and safety record in 2024, with zero work-related fatalities and injuries reported during the Year. This represents a significant improvement from 2023, when two work-related injuries occurred resulting in 122 lost workdays. Our safety record in 2022 was also exemplary, with no reported fatalities or injuries.

The company has maintained a consistent zero-fatality record across all three reporting years (2022–2024), reflecting our ongoing commitment to workplace safety and our effective health and safety management systems.

Analysis of 2023 Incidents and Remedial Actions

During the 2023 reporting period, we experienced two work-related injuries:

1. Weather-Related Incident: One case occurred due to a careless accident during rainy weather conditions. Following this incident, we strengthened our environmental management practices and implemented enhanced safety protocols for adverse weather conditions, including specific reminders for employees about increased vigilance during rainy days.

2. Recreational Sports Incident: The second injury occurred during an employee basketball event. In response, we revised our approach to company sporting activities, emphasizing a “friendship first, competition second” philosophy and prioritizing safety above competitive play in all employee recreational activities.

Both injured employees received comprehensive medical support, with all medical expenses fully covered by the Group through our office insurance policy. We are pleased to report that both employees have fully recovered from their injuries.

Safety Measures and Preventive Strategies

The absence of work-related injuries in 2024 demonstrates the effectiveness of our enhanced safety measures implemented following the 2023 incidents. These include:

- Improved environmental management protocols for various weather conditions
- Enhanced safety guidelines for company-sponsored recreational activities
- Ongoing safety awareness training and regular reminders
- Comprehensive insurance coverage for all employees

As the Group primarily operating in office environments, we remains committed to maintaining a safe workplace by continuously evaluating potential hazards, implementing preventive measures, and promoting a culture of safety awareness among all employees.

5.6 Development and Training of Employees

Strategic Approach to Employee Development

FingerTango is committed to building a culture of continuous learning and development that aligns with our 3K Corporate Culture. In 2024, we continued to enhance our comprehensive employee training system to empower our workforce with both professional expertise and soft skills essential for the rapidly evolving mobile gaming industry.

Our training philosophy focuses on two key aspects: foundational skills for organizational integration and specialized skills for professional growth. This dual approach ensures that all employees not only understand our corporate values but also develop cutting-edge capabilities that drive innovation in our products and services.

Core Training Programs

FingerTango has established five core training programs that form the foundation of our employee development ecosystem:

Training Project	Target Audience	Content and Objectives
Social Hire Training Project	New hires from external recruitment	Helps new employees quickly understand company culture, rules and regulations through systematic modules including "Knowing 3K," "Step in R&D," "Grow in 3K," "Workplace Training," "Meet Together in 3K" and "Business Lesson"
Position Tutor System	New employees and assigned tutors	Upgraded mentorship program that helps employees adapt to the company environment, integrate into teams, and receive professional guidance while encouraging knowledge sharing among experienced staff
Sharing Club	All employees	Learning platform built around the philosophy of "constantly growth and mutual achievement," featuring internal trainer clubs and diversified content sharing formats beyond traditional classroom settings
3K TALK Project	All employees	Corporate culture initiative featuring activities such as "Giant's Meet and Greet" to reinforce company values and promote cross-team communication

Training Project	Target Audience	Content and Objectives
Quality Training Course	All employees	General capability development courses designed to build foundational skills, including "Structured Thinking and Reporting"

Specialized Technical and Professional Training

Recognizing the fast-changing nature of the mobile gaming industry, FingerTango provided specialized technical and professional training courses tailored to emerging industry trends and business needs:

2024 Specialized Courses:

- 「掌握數據邏輯理論，不做工具人」(Master Data Logic Theory): Advanced data analysis training helping employees move beyond basic tool usage to develop strategic analytical thinking
- 「如何用創意突破獲量瓶頸?」(Creative Approaches to Growth Bottlenecks?): Marketing-focused course on innovative user acquisition strategies
- 「數數小課堂 — 從分析思路到指標搭建」(Data Classroom — From Analysis to Metrics Construction): Technical training on building effective data monitoring systems

2023 Specialized Courses:

- 「活動調優:讓付費更上一層樓」(Activity Optimization for Enhanced Monetization): Course on refining in-game events to improve revenue performance
- 「數數後台的應用與實踐」(Application and Practice of Data Backend): Practical training on data platform implementation
- 「探索AIGC在遊戲設計業務中的應用」(Exploring AIGC in Game Design): Forward-looking training on integrating artificial intelligence and generative content in game development

Supportive Learning Environment

To foster good habits such as constant learning and enhance the development potential of the Group, FingerTango has built a large reading zone in the open office space, creating an environment that encourages self-directed learning and knowledge exploration. This physical space complements our formal training programs by providing resources for employees to stay current with industry trends and best practices.

Career Development Path

Beyond training programs, we have established a clear and structured career development path for employees across all positions within the Company. This framework is governed by a dedicated promotion committee and formalized through the "Administrative Measures for Employee Changes and Compensation" and the "Promotion Process for Rank."

Our promotion process consists of four well-defined steps:

1. Promotion application: Employees can apply for advancement when they meet eligibility criteria
2. Qualification review: Thorough assessment of the applicant's qualifications and performance
3. Promotion evaluation: Comprehensive evaluation by managers and the promotion committee
4. Result feedback: Transparent communication of decisions and developmental feedback

We take "contribution to the business" as our primary measurement standard for promotions and rewards, ensuring that individual contributions are fairly recognized while maintaining the reasonableness of our internal compensation system. This approach enhances employee enthusiasm and creativity while aligning individual growth with company objectives.

Through these comprehensive training and career development initiatives, FingerTango continues to invest in our most valuable asset–our people–ensuring they have the skills, knowledge, and opportunities needed to drive innovation and sustainable growth in the competitive mobile gaming industry.

5.7 Employee Training Data

The employee training data by gender and employee category are as follows:

	Unit	2024	2023
Percentage of employees trained (by Gender)			
Female	Percentage	70.0	71.0
Male	Percentage	66.8	69.3
Percentage of employees trained (by Employee Category)			
Full-time development/R&D	Percentage	73.8	41.1
Full-time operation	Percentage	76.5	100.0
Full-time supporting department	Percentage	36.4	37.1
Average Training Hours for Each Employee (by Gender)			
Female	hours	1.9	2.4
Male	hours	0.9	2.3
Average Training Hours for Each Employee (by Employee Type)			
Per full-time junior employee	hours	7.1	2.5
Per full-time intermediate employee	hours	1.0	2.7
Per full-time senior employee	hours	0.1	0.7

Overview of Training Coverage

The employee training data reveals significant shifts in FingerTango's training focus and resource allocation between 2023 and 2024. While maintaining relatively stable overall training coverage, the company has implemented strategic changes in training distribution across different employee categories and levels.

Gender-Based Training Coverage

The percentage of employees receiving training remained relatively consistent across gender lines:

- Female employees maintained strong training participation at 70.0% in 2024, showing only a minor decrease from 71.0% in 2023
- Male employees experienced a slightly larger decrease in training coverage, from 69.3% in 2023 to 66.8% in 2024

These figures demonstrate FingerTango's commitment to gender-balanced professional development opportunities, with female employees consistently receiving slightly higher training coverage than their male counterparts.

Department-Based Training Distribution

The most changes occurred in departmental training coverage:

- Development/R&D teams saw a substantial increase in training coverage, rising from 41.1% in 2023 to 73.8% in 2024
- Operational teams experienced a significant decrease from 100% coverage in 2023 to 76.5% in 2024, though still maintaining the highest overall departmental coverage
- Supporting departments showed minimal change, with 36.4% coverage in 2024 compared to 37.1% in 2023

This redistribution reflects a strategic pivot toward strengthening technical capabilities within development teams, in response to rapid technological changes in the gaming industry such as AI integration and advanced data analytics.

Training Hours Analysis

The average training hours data reveals a major shift in training intensity and focus:

Gender-Based Training Hours

- Average training hours decreased for both genders, with female employees receiving 1.9 hours in 2024 (down from 2.4 hours) and male employees receiving just 0.9 hours (down from 2.3 hours)
- The gender gap in training duration widened, with female employees now receiving twice as many training hours as male employees

Employee Level Analysis

The most striking transformation appears in the distribution of training hours across employee levels:

- Junior employees saw their average training hours nearly triple from 2.5 hours in 2023 to 7.1 hours in 2024
- Intermediate employees experienced a significant decrease from 2.7 hours to 1.0 hour
- Senior employees received minimal formal training at just 0.1 hours in 2024, down from 0.7 hours

The training data reveals FingerTango's evolving talent development approach:

1. Increased emphasis on technical skills development through expanded R&D training
2. Strategic investment in junior talent development through concentrated training hours

5.8 Employee Team Building to Build Up Staff Cohesion

At the same time, the Group cares for its employees and values their mental health, and encourages employees to achieve a balance between work and life and maintain their physical and mental health. The Group has established various activities for employees. It aims to enhance the sense of belonging of employees and the cohesion of the team through social activities, relieving work pressure, and creating a good working atmosphere.

The followings were the event and activities for our employees during the year:

Annual activities

The "3K Game Conference," a flagship community event that brings together employees, partners, and local stakeholders. This conference serves as a platform for promoting social engagement, team building, and knowledge sharing within the community.

New Year activities

The New Year activities were held at the 3K Games headquarters and featured a festive and welcoming atmosphere. These activities served as an opportunity to bring together employees, partners, and community members to celebrate the start of the new year, fostering a sense of unity and belonging.

Women's Day activities

In celebration of International Women's Day, 3K Games organized a dedicated event aimed at fostering employee development and recognizing the contributions of female staff. The activities included a group gathering at the company, where employees participated, reinforcing team spirit and a sense of belonging.

The event featured the distribution of thoughtfully prepared gift packs, symbolized by the inclusion of flowers and personalized items, to express appreciation for women's achievements within the organization.

Children's Day activities

These activities provided employees with the opportunity to bring their children to the workplace, fostering a sense of community and work-life balance. By creating a supportive environment where employees' families are welcomed and celebrated, the company demonstrated its commitment to employee welfare and well-being.

3K Cup Basketball Game

The 3K Cup Basketball Game is a signature corporate sports event designed to promote employee health, teamwork, and personal development. Held on an outdoor court with enthusiastic participation from staff, the event encourages physical activity, stress relief, and social interaction among employees.

Participation in the basketball game enhances team cohesion, communication skills, and leadership abilities, all of which are essential components of employee development.

Mid-Autumn Festival activities

The Mid-Autumn Festival activities were thoughtfully organized to foster cultural appreciation, employee engagement, and personal growth. Employees participated in interactive sessions such as lantern-making, which encouraged creativity, collaboration, and hands-on learning. The event also featured a communal gathering where staff enjoyed traditional festival treats and participated in themed discussions, strengthening interpersonal relationships and team cohesion.

Programmer activities

The programmer activities were designed to support employee well-being and foster a positive work environment for technical staff. These thoughtful provisions not only address the nutritional needs of employees during intensive work sessions but also demonstrate the company's commitment to caring for its workforce. By organizing such activities, the company promotes work-life balance, reduces stress, and encourages social interaction among programmers. These initiatives contribute to employee development by creating opportunities for informal networking, knowledge sharing, and team bonding.

12th anniversary event

The 12th anniversary event was a vibrant and engaging celebration designed to promote employee welfare and strengthen workplace culture.

Employees took part in interactive outdoor games, including team-building exercises that encouraged collaboration, communication, and mutual support. The activities, such as blindfolded group challenges, fostered trust and camaraderie among colleagues, enhancing both morale and interpersonal relationships.

By organizing such inclusive and thoughtfully planned celebrations, the company demonstrated its commitment to employee welfare, work-life balance, and a positive organizational environment.

Christmas activities

The Christmas activities, centered on creating a festive and inclusive atmosphere for employees. The company prepared and distributed themed holiday treats, featuring fresh fruit and decorative desserts shaped like Christmas trees and festive animals. These thoughtfully arranged snacks not only added a cheerful touch to the workplace but also demonstrated the company's attention to employee well-being and morale.

In 2023, our employees were actively participated in a range of events and activities. The list of events and activities as follows:

- Annual activities
- Women's Day activities
- 3K Cup Basketball Game
- Little Assistant Symposium
- Programmer activities
- Fire drill activities
- Suiyou Cup Games Activities
- 3K restaurant opening event
- New Year activities
- Badminton activities
- Children's Day activities
- Mid-Autumn Festival activities
- 11th anniversary event
- First aid training activities
- Christmas activities

5.9 Total Number and Classification of Employees

As at 31 December 2024, the details of employees are as follows:

Employment composition		2024	2023
Total employees	no. of people	245	301
Total Employees (by Gender)			
Total female employees	no. of people	69	106
Total male employees	no. of people	176	195
Total Employees (by Age Group)			
Below 30	no. of people	92	142
30–50	no. of people	152	158
Above 50	no. of people	1	1
Total Employees (by Employee Category)			
Full-time development/R&D	no, of people	90	105
Full-time operation	no. of people	109	75
Full-time supporting department	no. of people	42	119
Part-time employee	no. of people	4	2
Total Employees (by Geographical Region)			
Employees in East China	no. of people	3	2
Employees in South China	no. of people	242	299

FingerTango's workforce underwent significant structural changes during 2024, reflecting strategic organizational adjustments across multiple dimensions of our employment composition.

Overall Workforce

Total employee headcount decreased by 18.6%, from 301 employees in 2023 to 245 employees in 2024. This reduction aligns with our organizational optimization initiatives focused on improving operational efficiency while maintaining core capabilities.

Gender Composition Transformation

The most dramatic change occurred in our gender composition, with a notable rebalancing from the previous year:

- Male employees decreased by 9.7%, from 195 to 176, now representing 71.8% of our workforce (up from 64.8% in 2023)
- Female employees decreased by 34.9%, from 106 to 69, now representing 28.2% of our workforce (down from 35.2% in 2023)

This shift indicates a more targeted restructuring that affected female employment positions proportionally more than male positions, while still maintaining gender diversity within our organization.

Age Distribution Evolution

Our age distribution shows a measured shift toward a more experienced workforce:

- Employees below 30 decreased by 35.2%, from 142 to 92
- The 30–50 age group remained relatively stable with a modest 3.8% decrease, from 158 to 152
- The above 50 category remained constant at 1 employee

This evolution indicates a retention focus on mid-career professionals who bring valuable experience while maintaining opportunities for younger talent.

Functional Realignment

The most notable organizational restructuring occurred in our functional composition:

- Full-time operational staff increased substantially by 45.3%, from 75 to 109 employees
- Supporting departments experienced a significant 64.7% reduction, from 119 to 42 employees
- R&D/development teams saw a moderate 14.3% decrease, from 105 to 90 employees
- Part-time positions doubled from 2 to 4 employees

This realignment demonstrates our strategic focus on core operational functions while streamlining support activities through increased efficiency and process optimization.

Geographic Concentration

Our geographic distribution remained predominantly centered in South China:

- South China operations saw a 19.1% reduction in headcount, from 299 to 242 employees
- East China maintained minimal presence with a slight increase from 2 to 3 employees

The continued concentration in South China reinforces our strategic presence in this important market while maintaining operational focus.

Strategic Implications

These workforce changes reflect FingerTango's deliberate organizational transformation aimed at enhancing operational focus and optimizing resource allocation. The shift toward operational roles while reducing support functions demonstrates our commitment to streamlining our business while maintaining adequate gender representation as we continue to evolve in the dynamic mobile gaming industry.

5.10 Employee Turnover Ratio

Details of the employee turnover rate of the Group as at 31 December 2024 were as follows:

Employment turnover rate (Note 1)	Unit	2024	2023
Employee Turnover Rate (by Gender)			
Female	Percentage	48.1	38.5
Male	Percentage	39.5	37.9
Employee Turnover Rate (by Age Group)			
Below 30	Percentage	54.0	45.4
30–50	Percentage	31.8	30.1
Above 50	Percentage	—	—
Employee Turnover Rate (by Geographical Region)			
Employees in East China	Percentage	—	—
Employees in South China	Percentage	42.5	38.2
Percentage of employees trained (by Gender)			
Female	Percentage	66.8	71.0
Male	Percentage	70.0	69.3

Note 1: Calculation method: number of employee turnover ÷ (number of employee turnover + number of year-end employee) x 100%.

The Group experienced notable changes in employee turnover rates across various demographic categories during 2024, reflecting the dynamic nature of our workforce in the competitive mobile gaming industry.

Gender-Specific Turnover Trends

The most significant shift occurred in our gender-specific turnover rates:

- Female employee turnover increased substantially to 48.1% in 2024, up from 38.5% in 2023, representing a 9.6 percentage point increase
- Male employee turnover rose more moderately to 39.5% in 2024, compared to 37.9% in 2023, marking a 1.6 percentage point increase

This gender disparity in turnover growth suggests different retention challenges between male and female employees, with female employees showing significantly higher mobility during this period. This aligns with our observed gender composition changes and may reflect industry-wide trends in the gaming sector.

Age-Related Turnover Patterns

Turnover rates varied considerably across different age groups:

- Employees below 30 experienced the highest turnover at 54.0% in 2024, up from 45.4% in 2023 (8.6 percentage point increase)
- The 30–50 age group showed a more modest increase to 31.8% in 2024 from 30.1% in 2023 (1.7 percentage point increase)
- No turnover was recorded for employees above 50 years in either year

The significantly higher turnover rate among younger employees reflects both industry trends and generational differences in job mobility. Younger professionals in the technology and gaming sectors typically change positions more frequently to gain diverse experiences and accelerate career growth.

Geographic Turnover Variations

Our turnover data shows distinct regional patterns:

- South China operations, which comprise the vast majority of our workforce, saw turnover increase to 42.5% in 2024 from 38.2% in 2023 (4.3 percentage point increase)
- East China operations reported no turnover in either year, likely due to the very small team size in this region

The increased turnover in South China mirrors the overall company trend and reflects the competitive talent landscape in this technology hub region.

Employee Training Coverage

While examining employee development metrics alongside turnover:

- Training coverage for female employees decreased to 66.8% in 2024 from 71.0% in 2023 (4.2 percentage point decrease)
- Training coverage for male employees slightly increased to 70.0% in 2024 from 69.3% in 2023 (0.7 percentage point increase)

The decreased training coverage for female employees, coupled with their higher turnover rate, suggests a potential correlation.

Strategic Implications

The increased turnover rates across multiple categories reflect both industry-wide challenges and specific organizational factors during a period of strategic realignment. The mobile gaming industry continues to experience high talent mobility, particularly among younger professionals and in competitive regional markets like South China.

The Group is responding to these turnover trends through enhanced retention strategies, including targeted career development opportunities, competitive compensation packages, and workplace culture initiatives aligned with our 3K Corporate Culture of "Achieving Each Other." We recognize the importance of addressing the higher female turnover rate through specific initiatives focused on gender-inclusive policies and career advancement opportunities.

6. CORPORATE GOVERNANCE

6.1 Corporate Anti-Corruption Governance

FingerTango incorporates business ethics throughout the entire process of business operation and is committed to creating a clean business environment with zero tolerance for unethical business practices such as corruption, bribery and fraud. The Group strictly abides by the Company Law of the People's Republic of China, the Law of the People's Republic of China on Anti-Unfair Competition, the Interim Provisions on Banning Commercial Bribery and other laws and regulations to regulate the business ethics of its staff.

The Group's Employee Handbook specifies the business conduct and professional ethics that employees must adhere to, and forbids any kind of bribery and fraud. The Group provides new employee orientation training when employees start, which covers trainings on basic employee ethics, such as anti-corruption trainings.

In order to strengthen the construction of the Group's internal control system to prevent reduce risks of fraud, corruption and bribery, we have formulated the Anti-Fraud, Anti-Corruption and Anti-Commercial Bribery System based on our situation so as to regulate our business practices and ultimately to safeguard the legitimate rights and interests of the Group and our shareholders. Internal and external personnel of the Group shall not damage the economic interests of the Group or its shareholders for personal improper benefits by using deception and other illegal and irregular means, including but not limited to illegal use of the Group's assets, embezzlement, misappropriation or theft of the Group's assets, giving or accepting bribes or kickbacks, etc.. Legal Affairs Department was the responsible department to handle and review the cases received.

The management of the Group solely responsible for the work of anti-fraud, anti-corruption and anti-bribery, and has established an audit committee to organise and implement those cross-departmental tasks on corporate level during such campaign. Besides, the Group has established various channels for whistleblowers to report ethical issues and fraud. The audit committee shall record the report once received and, in case of senior management being involved, report to the Board of the Group within two work days for further investigation. Any employee committing fraud, corruption and commercial bribery, whether or not constitute criminal offence, shall be deemed serious breach of the Group's rules and regulations and their employment contracts shall be terminated by law. Any person in breach of criminal law shall be referred to the judicial departments for legal actions. We will also protect whistleblowers and prohibit retaliation of any nature.

During the year, all directors and staff of the Group had participated in anti-fraud and anti-corruption training.

During the reporting period, the Group did not have litigation cases related to corruption, nor did it violate relevant laws and regulations that have a significant impact on the Group's operations.

Anti-corruption	Unit	2024	2023
Number of concluded cases regarding corrupt practices brought against the Group or employee	no. of cases	–	–

7. SUPPLIERS

7.1 Supply Chain Management

In order to maintain a stable and sustainable supply chain and better fulfil our commitment to the environment and society, FingerTango has established a sound supplier management mechanism and formulated the Review and Management Measures on Suppliers, which applies to different types of suppliers, including arts, advertisement media, catering, electronics products, office equipment and security service. We have also developed management measures for suppliers by category to achieve more accurate management, such as the Review and Management Measures on Advertisement Media Dealers. When reviewing suppliers, we consider their qualifications and size, cost effectiveness, business capability, contract performance rate and after-sales service capability. We also include integrity clauses in our contracts with suppliers to govern their behavior, and we have the right to hold them accountable for any breaches.

In addition, we will review the environmental and social risks in each link of the supply chain, and the supplier units we work with will be required to comply with the laws and regulations in operation, and any bribery, unethical, child labor, and forced labor will be strictly prohibited. We prefer those suppliers who pay attention to health and safety of employees, anti-corruption operation, environment protection and application of environmentally friendly products, which demonstrates our emphasis on social responsibility of supply chains and sustainable development.

In order to effectively monitor suppliers, we will review the product quality, environmental and social performance of suppliers once a year and update files in a timely manner. In case of specific needs, we will conduct half-year or quarterly review.

During the Reporting Period, we have performed detailed assessments on 91 (2023: 53) suppliers for their quality and performance for their services and products and relevant environmental and social risk related.

Suppliers are distributed by geographical region as follows:

Region	2024 Number	2023 Number
Shanghai	35	25
Guangzhou	30	24
Beijing	14	13
Hong Kong	7	8
Hangzhou	5	4
Others	19	14
Total	110	88

Type of services supplier	2024 Number	2023 Number
Game developer	10	10
Advertising	37	33
Material design services	23	14
Network and information technology	10	9
Professional services	10	7
Banking services	8	8
Administrative services	12	7
Total	110	88

8. SOCIAL RESPONSIBILITY

8.1 Guangzhou Shiguang Community Foundation

FingerTango established the Guangzhou Shiguang Community Foundation (廣州市拾光公益基金會) (the "**Foundation**") in August 2020. This milestone represents our formalized commitment to corporate social responsibility and community engagement.

Foundation Philosophy and Mission

The Foundation advocates four core principles in its organizational philosophy: practicality, simplicity, mutual assistance, and gratitude. These values closely align with FingerTango's corporate culture and guide all charitable initiatives.

In Chinese, "拾光" (Shiguang) carries the meaningful imagery of "picking up rays of light"-symbolizing how our charitable work gathers and spreads hope throughout communities. The Foundation's mission embodies this symbolism:

"As gatherers of light, we inherit Chinese culture and promote traditional virtues; we persistently advocate the spirit of helping others and drive charitable trends; we call upon people from all sectors of society to converge their love, joining hands to pick up more rays of hope."

Areas of Focus

The Foundation's public welfare projects cover multiple domains, including:

- Rural revitalization initiatives
- Poverty alleviation programs
- Educational assistance for disadvantaged students
- Support services for disabled and elderly populations
- Emergency disaster relief efforts

These diverse focus areas allow us to address pressing social needs while leveraging our corporate resources and volunteer network effectively.

Community Engagement

Leveraging the Foundation, we organize various social welfare and charity activities that promote the spirit of philanthropy while demonstrating the traditional Chinese virtue of alleviating poverty in a modern context. We use our corporate influence to encourage public participation in charitable activities and volunteerism.

Each department and subsidiary within the Group is encouraged to proactively participate in community activities and charity events, fostering a company-wide culture of giving back. This approach ensures that social responsibility is embedded throughout our organization rather than isolated to specific teams or initiatives. Through the Guangzhou Shiguang Community Foundation, FingerTango continues to fulfill its commitment to social responsibility while creating meaningful impact in the communities where we operate.

8.2 Social Welfare Activities

In 2024, volunteers from the Guangzhou Shiguang Public Welfare Foundation of FingerTango, working hand in hand with the several partners, continued to deepen their commitment to community well-being through a diverse array of social welfare activities.

Case: 2024 Care for Children in Difficulty and Educational Assistance Program Series

On January 18, 2024, the Shiguang Public Welfare Foundation, together with the Guangzhou Social Organization Administration Bureau, Guangzhou Social Union, Care Center, and other social organization groups, held the “Children’s Dreams, Love Fills Suiqing” 2024 Guangzhou Social Organizations Support Rural Children Growth Study Camp at our company’s “Home with Children” Community Care Station for Children in Guangzhou. During the event, Shiguang presented 10 children’s gift packs and 16 jars of honey to teachers and students, and donated RMB3,000 to the Guangzhou Social Union to support rural children’s visit to Guangzhou’s iconic landmark–the Canton Tower, the tallest tower in China and the third tallest in the world.

Case: "One egg in a day" project

On March 7, 2024, the Guangzhou Shiguang Public Welfare Foundation donated RMB52,500 to the Guangzhou Social Organization Union to support the "One Egg a Day" initiative, a project aimed at providing nutritious meals for school-age children at Sanpai Central School to promote their health and physical development. The donation is made on a per-semester basis (covering five months), with a total cost of RMB52,500 per semester. Each month, RMB10,500 is allocated for purchasing eggs (including the cost of 10,000 eggs as well as transportation, losses, and other related project expenses).


感谢状

广州市拾光公益基金会：

感谢贵单位大力支持"广州市社会组织联合会、广州社联困境儿童关爱中心对口帮扶连南瑶族自治县三排镇三排中心学校工作站"工作，并慷慨捐赠52,500元用于"每天一鸡蛋"广州市社会组织助力三排镇中心学校学龄儿童为健康体魄加餐行动。

我会对贵单位的爱心善举深表谢意！

特颁此证！

广州市社会组织联合会　　广州社联困境儿童关爱中心

2024年4月23日

Case: Supporting Rural Children's Growth and Empowering Rural Revitalization through Aesthetic Education Series

From April 23 to 24, 2024, volunteers from the Shiguang Public Welfare Foundation visited Sanpai Central School in Sanpai Town, Liannan Yao Autonomous County. Guided by the Guangdong New Social Stratum Association, the Guangdong New Social Stratum Association Social Organization Branch, the Municipal New Social Stratum Association Social Organization Branch, and the Haizhu District New Social Stratum Association Social Organization Branch, and co-hosted by the Guangzhou Social Union, Guangzhou Social Union Care Center for Children in Difficult Situations, and Sanpai Central School, the event was part of the "Guangzhou Social Organizations Supporting Rural Children's Growth and Empowering Rural Revitalization through Aesthetic Education" series. During the event, the Foundation donated 10 sets of stationery kits and 32 sets of science and creative handicraft kits to Sanpai Central School, with a total value of RMB1,218.

Case: Providing Support and Assistance for Adolescents' Learning and Development Within Our Capabilities

On May 30, 2024, the Shiguang Public Welfare Foundation donated 100 easels, 100 drawing boards, 2 sets of playback speakers, and 6 sets of choir condenser microphones to No. 1 Middle School in Yuepuhu County, Kashgar Prefecture, Xinjiang Uygur Autonomous Region, with a total value of RMB17,869.87. This donation aims to provide as much support as possible for the learning and growth of young people, enabling children from different regions to share access to high-quality educational resources.

Case: Supporting Rural Revitalization Zengcheng District Lihu Street Community Educational Assistance Series of Activities

In active response to the spirit of the 20th National Congress of the Communist Party of China and the central economic and rural work conferences, and to comprehensively advance rural revitalization and strengthen the overall capacity of counties, towns, and villages–transforming development shortcomings into drivers for Guangdong's high-quality growth–the Shiguang Public Welfare Foundation participated in the 2024 "6.30" Rural Revitalization Support Zengcheng District Lihu Subdistrict Community Educational Assistance series of activities. As part of this initiative, the Foundation assisted 40 people from Lihu Subdistrict in applying for educational support for persons with disabilities, helping to improve their living environment. The educational assistance provided amounted to RMB500 per person, totaling RMB20,000.

Case: Joint Initiative to Establish Six 'Lead Goose Village Children's Growth Spaces' in Rural Areas Around Guangzhou

In response to the call and initiative of the Guangzhou Game Industry Association's public welfare project plan, and to support the cultivation of rural children's interests, quality education, and humanistic care — promoting the healthy and safe growth of rural children — the Shiguang Public Welfare Foundation, together with the Municipal Women and Children's Welfare Association, participated in the construction of six "Leading Goose Village Children's Growth Spaces" in rural areas around Guangzhou. The Foundation made a designated donation of RMB35,000 to the Municipal Women and Children's Welfare Association to be used for the construction fund of these children's growth spaces.

感谢信

广州市拾光公益基金会:

感谢贵企业对羊城"童"成长巾帼头雁村乡村儿童成长空间项目建设的大力支持，向我会捐赠-35000-元，用于打造具有广州巾帼特色的城市乡村空间一体、生态生活空间共融的儿童成长空间，为落实"百县千镇万村高质量发展工程"，推进广州市巾帼头雁村建设，共筑儿童友好城市做出无私贡献。

未来，我们继续携手前行，共同为乡村儿童的未来贡献力量。

广州市妇女儿童福利会

2024年12月

Case: August First Warmth: Honoring Veterans Activity

To further strengthen the self-development of Party members and enhance their Party spirit, on the occasion of the 97th anniversary of the founding of the Chinese People's Liberation Army, the 3K Games Party Branch held a Party discipline study and education session on the morning of August 1, 2024. Professor Zhang Jicai, a PhD supervisor from the School of Law and Economics at Wuhan University of Science and Technology, led Party members in reviewing the entire process of discipline education construction in the Party's history.

In the afternoon, the 3K Games Party Branch and the Shiguang Public Welfare Foundation, in collaboration with the Guangzhou Civil Affairs Bureau, Zengcheng District Civil Affairs Bureau, Zengcheng District Veterans Affairs Bureau, Guangzhou Social Union, Care Center, and various social organizations, jointly organized the "Warmth on August 1st, Salute to Veterans" event. During this event, they visited and expressed gratitude to 20 retired veterans from Zengcheng District who had participated in campaigns such as the War to Resist U.S. Aggression and Aid Korea, donating food, cooking oil, and other daily necessities, as well as RMB10,000 in consolation funds.

In 2023, volunteers from the Guangzhou Shiguang Public Welfare Foundation of FingerTango, in collaboration with various local organizations and government bodies, actively participated in a range of social welfare initiatives. The list of social welfare activities as follows:

Social Welfare Activities	Activity Information
Caring for children in distress, student aid and other activities series	Volunteers of Guangzhou Shiguang Public Welfare Foundation of FingerTango, together with Guangzhou Federation of Social Organizations, Guangzhou Tourism Association, Care Center for Children in Distress, visited children during Chinese New Year and donate RMB10,000.
Special activities for veterans care	Volunteers of Guangzhou Shiguang Public Welfare Foundation of FingerTango, together with Guangzhou Social Union and Zengcheng Veterans Affairs Administration, visited 20 war veterans in Zengcheng District and offer additional help of RMB10,000 and living materials, amounting to RMB10,000.
Assistance to earthquake-stricken areas	A magnitude 6.2 earthquake struck Gansu Province's Jishishan County in Linxia Prefecture last year. FingerTango and the Guangzhou Game Industry Association provide assistance of RMB200,000 and 80 emergency tents to aid in the restoration of disaster areas and relief efforts following the Gansu earthquake.
"An egg in a day" project	Volunteers of Guangzhou Shiguang Public Welfare Foundation of FingerTango, together with Guangzhou Federation of Social Sciences Care Center for Children in Distress, Municipal Tourism Association, and Sanpai Central School in Liannan County, Qingyuan City offering RMB8,000, used to help Children receive an egg in a day.
Healthy Internet access	Volunteers of Guangzhou Shiguang Public Welfare Foundation of FingerTango, together with Guangzhou Game Association Popularize the knowledge and methods of access Internet healthy and giving out holiday gift packs and study books, amounting to RMB2,480.
Donate study materials	Volunteers of Guangzhou Shiguang Public Welfare Foundation of FingerTango, together with China Audiovisual and Digital Publishing Association, Lijiang Municipal Culture and Tourism Bureau, Dali Prefecture Education and Sports Bureau offer additional help of study materials, amounting to RMB12,388.
Knowledge and methods of Culture	Volunteers of Guangzhou Shiguang Public Welfare Foundation of FingerTango, together with Guangzhou Municipal Bureau of Culture, Tourism, Tourism and Tourism Association offer addition help for knowledge and methods of Culture and donate RMB53,000.

9. ENVIRONMENTAL PROTECTION

FingerTango is dedicated to achieving a balance between corporate growth and environmental protection, and continuously improving the environmental sustainability of its business. We constantly implements energy-saving measures to reduce waste of resources in our operations. Our main business is mobile gaming, therefore our daily operations do not involve industrial emissions, sewage and waste. The impact on the environment mainly produced by the daily office activities consumption, such as the use of electricity, domestic water, and waste generated by the office and the office supplies. Although the Group has minimal impact on the environment, we strive to assume corporate social responsibility. During the reporting period, we strictly complied with laws and regulations related to environmental protection such as the Environmental Protection Law of the People's Republic of China, the Energy Conservation Law of the People's Republic of China and the Water Pollution Prevention and Control Law of the People's Republic of China. To further mitigate the impact on the environment, we also place emphasis on helping our employees become more environmentally conscious.

During the Reporting Period, the Group did not have any environmental violations with significant impact.

9.1 Reducing Environmental Impact

In order to reduce the potential impact of its own operations on the environment, FingerTango has formulated and implemented various energy-saving and emission-reduction plans to manage energy and water use, waste and GHG emissions to ensure the optimal utilization of resources and improve our environmental performance.

In order to ensure that we can effectively implement the sustainable business model, the Group has set a number of environmental targets in line with its development direction and strategic direction. We closely monitor and regularly review its progress, and are committed to achieving them through various environmental protection measures.

Environmental Targets and Performance

Environmental Aspect	Target Set in 2023	Performance in 2024	Achievement Status	Implementation Notes
Carbon Reduction	GHG and air emissions to directionally decrease compared to current reporting period	— Total GHG: -35.5% (795.86 → 513.07 tonnes CO_2e) — Scope 1: -92.3% (239.60 → 18.50 tonnes CO_2e) — Scope 2: -11.1% (556.26 → 494.57 tonnes CO_2e) — NO_x: -97.4% — SO_x: -95.5% — PM: -98.4%	Achieved	Vehicle fleet optimization: replaced most gasoline vehicles with hybrid vehicles, reducing petrol consumption by 97.4% (14,768L → 385L)
Waste Reduction	Non-hazardous and hazardous waste to directionally decrease compared to current reporting period	— Non-hazardous waste: -12.5% (22.17 → 19.39 tonnes) — Hazardous waste: -98.8% (0.574 → 0.007 tonnes) — 100% recycling rate maintained for non-hazardous waste	Achieved	— Eliminated IT equipment waste (0.560 → 0 tonnes) — Reduced cartridge waste by 41.7% (0.012 → 0.007 tonnes) — Implemented enhanced waste management practices
Energy Conservation	Usage of electricity and gasoline decrease or increase within 3% compared to current reporting period	— Electricity: -9.3% (828,027 → 751,417 kWh) — Gasoline: -97.4% (14,768 → 385L) — Total energy: -22.2% (971,149 → 755,147 kWh)	Achieved	— Implemented server virtualization technologies — Installed smart lighting systems — Optimized HVAC operations — Reduced vehicle fleet
Water Conservation	Usage of water decrease or increase within 3% compared to current reporting period	— Water consumption: -22.4% (4,575 → 3,550 cubic meters)	Achieved	— Implemented water-saving fixtures — Enhanced monitoring of water usage — Workforce optimization contributed to reduced consumption

FingerTango has not only achieved but also significantly exceeded all environmental targets set in 2023. The company demonstrated particularly impressive performance in reducing direct GHG emissions (92.3% decrease), hazardous waste (98.8% decrease), and gasoline consumption (97.4% decrease). These achievements reflect FingerTango's strong commitment to environmental sustainability and effective implementation of targeted initiatives, including vehicle fleet optimization, digital transformation, and enhanced resource efficiency measures across operations.

The followings were the target of each aspect approved by the Board of Directors during the Reporting Period for the next reporting period.

Aspect	Details 2024
Carbon Reduction	The GHG and air emission *unit or intensity* directionally decrease compared to current reporting period
Waste Reduction	The non-hazardous and hazardous waste *unit or intensity* directionally decrease compared to current reporting period
Energy Conservation	Usage of electricity and gasoline *unit or intensity* decrease directionally decrease compared to current reporting period
Water Saving	Usage of water *unit or intensity* decrease compared to current reporting period

9.2 Greenhouse gas emission management

FingerTango actively promotes the management of GHG emissions, continuously explores measures and methods that may reduce carbon emissions from operations, and actively practices low-carbon operations.

This year, we conduct GHG emissions inspections according to the Greenhouse Gas Protocol issued by the World Resources Institute and the World Business Council for Sustainable Development and the ISO14064–1 set by the International Organization for Standardization for the Group's offices in Shanghai and Guangzhou. During the year, the summary of GHG emissions is as follows:

GHG Emissions Performance[1]	Unit	2024	2023
GHG Emissions[2]			
Direct GHG emissions (Scope 1)	tonnes of CO_2 equivalent	**18.50**	239.60
Indirect GHG emissions (Scope 2)	tonnes of CO_2 equivalent	**494.57**	556.26
Total GHG emissions (Scope 1 and 2)	tonnes of CO_2 equivalent	**513.07**	795.86
GHG emissions intensity			
per employee (Scope 1 and 2)	tonnes of CO_2 equivalent/employee	**1.74**	1.99

Note: In order to avoid extreme value, the calculation of intensity was by reference to the average number of employee during the year.

Scope 1: Direct GHG emissions generated by sources owned and controlled by the Group.

Scope 2: Indirect GHG emissions from electricity generation, heating and cooling or steam purchased by the Group.

FingerTango has achieved significant reductions in greenhouse gas emissions during 2024, demonstrating our commitment to environmental responsibility and low-carbon operations. The data reveals substantial improvements across all measured emission categories:

Direct Emissions Reduction (Scope 1)

Our most dramatic improvement occurred in Scope 1 (direct) emissions, which decreased by 92.3% from 239.60 tonnes CO_2e in 2023 to just 18.50 tonnes CO_2e in 2024. This substantial reduction was achieved primarily through our strategic decision to dispose of most gasoline-powered vehicles in our fleet, significantly reducing our business travel-related emissions. The remaining vehicles in our fleet are now primarily hybrid models, which produce significantly lower emissions than conventional gasoline vehicles while maintaining necessary operational flexibility.

1 Figures are expressed as rounded

2 Calculated based on the emission factors in the "Guidelines on Reporting of Environmental Key Performance Indicators" in Appendix II issued by the Stock Exchange

Indirect Emissions Improvement (Scope 2)

We also achieved meaningful reductions in our Scope 2 (indirect) emissions, which decreased by 11.1% from 556.26 tonnes CO_2e in 2023 to 494.57 tonnes CO_2e in 2024. This improvement directly corresponds to our 9.3% reduction in electricity consumption, from 828,027 kWh in 2023 to 751,417 kWh in 2024. These energy savings were accomplished through decrease of employees usage and energy efficiency measures in our offices, including optimized HVAC systems, more efficient lighting, and server optimization.

Overall Emissions Performance

The combined effect of our initiatives resulted in a 35.5% reduction in total GHG emissions (Scope 1 and 2), decreasing from 795.86 tonnes CO_2e in 2023 to 513.07 tonnes CO_2e in 2024. Our emissions intensity per employee also improved by 12.6%, from 1.99 tonnes CO_2e per employee to 1.74 tonnes CO_2e per employee. Beyond our GHG emission reductions, we significantly decreased our paper consumption by 96.5%, from 433 kg in 2023 to just 15 kg in 2024. This dramatic reduction reflects our comprehensive digital transformation initiatives and paperless office policies, further contributing to our overall environmental footprint reduction.

In addition to greenhouse gases, the types and data of emissions generated by vehicles are as follows:

Emission Type	Unit	2024	2023
Nitrogen oxides (NO_x)	Kg	0.22	8.62
Sulphur oxides (SO_x)	Kg	0.01	0.22
Particulate matter (PM)	kg	0.01	0.63

Significant Air Pollutant Reductions

FingerTango has achieved remarkable reductions in vehicle-related air pollutants from 2023 to 2024 through our strategic fleet optimization initiative, which involved significantly reducing our number of conventional gasoline vehicles and retaining primarily hybrid vehicles. The data demonstrates dramatic improvements across all measured emission categories:

Our vehicle fleet optimization strategy has resulted in substantial decreases in key air pollutants:

- Nitrogen oxides (NO_x): Decreased by 97.4%, from 8.62 kg in 2023 to just 0.22 kg in 2024
- Sulphur oxides (SO_x): Reduced by 95.5%, from 0.22 kg in 2023 to 0.01 kg in 2024
- Particulate matter (PM): Decreased by 98.4%, from 0.63 kg in 2023 to 0.01 kg in 2024

These dramatic reductions directly correspond to our 97.4% decrease in petrol consumption, from 14,768L in 2023 to just 385L in 2024, following our decision of reducing travelling by motor vehicle therefore we disposed of most conventional gasoline vehicles and maintain only the more efficient hybrid vehicles in our corporate fleet.

9.3 Energy management

Energy use is also closely related to greenhouse gas emissions; therefore, in addition to direct greenhouse gas emissions, we also prioritize energy management, such as the use of air-conditioning system, lighting system and other electronic equipment.

To enhance brightness and reduce lighting usage, we have utilized materials like glass during decoration. In addition, the Group's office area employs energy-saving LED lighting with low cost and high-energy efficiency, which can prompt the good habit of turning off the lights when leaving the office. Daily checks by colleagues and security staff ensure that lighting and air conditioning are under control. We encourage employees to turn off electronic devices (including computers), whenever possible, during their off-hours and to employ energy-saving LED lighting in office areas as possible. In addition, we control the indoor air-conditioning temperature at an appropriate temperature of between 25–26ºC, and we have installed lighting devices with sensor control functions in places with low utilization rates such as staircases and toilets, so as to reduce the waste of power resources.

In order to effectively reduce the emissions generated, the Group has adopted several measures for the management of vehicles, including but not limited to, reasonable use of vehicles, prohibition of the use of Group's vehicles for personal reasons and strict approval for long-distance travel arrangements to reduce unnecessary travel. In addition, we purchased electric vehicles and enhance the usage of these type of vehicles in order to reduce the gasoline consumption. The rise of gasoline consumption resulted from the higher rate of business travelling by car after the pandemic lockdown ended. For the use of company vehicles, we require employees to turn off the engine when idling to reduce carbon emissions and air emissions.

During the Reporting Period, our consumption of resources is as follows:

	Unit	2024	2023
Electricity purchased	kWh	751,417	828,027
Electricity purchased intensity (per employee)	kWh/employee	2,546	2,067
Gasoline consumption	kWh	3,730	143,122
Gasoline consumption intensity (per employee)	kWh/employee	13	357
Paper consumption	kg	15	433
Paper consumption intensity (per employee)	kg/employee	0.1	1.1

Note: In order to avoid extreme value, the calculation of intensity was by reference to the average number of employee during the year.

Electricity Consumption

Total electricity consumption decreased by 9.3%, from 828,027 kWh in 2023 to 751,417 kWh in 2024. This reduction represents our ongoing efforts to improve energy efficiency within our facilities through optimized HVAC operations, smart lighting systems, and server consolidation and partly due to decrease of employees usage.

Interestingly, while our total electricity consumption decreased, the per-employee intensity increased from 2,067 kWh/employee to 2,546 kWh/employee. This 23.2% increase in per-employee intensity reflects our workforce optimization, as our employee headcount decreased more significantly than our electricity reduction. The increased per-employee intensity is expected as certain baseline electricity requirements for office operations, server rooms, and facilities remain relatively constant regardless of headcount.

Gasoline Consumption

The most dramatic improvement occurred in our gasoline consumption, which decreased by 97.4%, from 143,122 kWh in 2023 to just 3,730 kWh in 2024. This substantial reduction directly results from our strategic decision to dispose of most gasoline-powered vehicles in our corporate fleet, retaining only hybrid vehicles for essential business operations. This initiative aligns with our commitment to reducing fossil fuel dependency and minimizing direct emissions.

The per-employee gasoline consumption intensity decreased even more dramatically, from 357 kWh/employee to just 13 kWh/employee, representing a 96.4% reduction. This improvement demonstrates the effectiveness of our transportation efficiency measures and reflects a fundamental shift in our approach to business travel and transportation.

Paper Consumption

Our paper consumption decreased by 96.5%, from 433 kg in 2023 to merely 15 kg in 2024. This remarkable reduction reflects our comprehensive digital transformation initiatives and paperless office policies implemented across all departments. By transitioning to digital documentation, electronic approvals, and online collaboration tools, we have nearly eliminated paper from our daily operations.

The per-employee paper consumption intensity decreased from 1.1 kg/employee to 0.1 kg/employee, a 90.9% reduction. This improvement demonstrates our successful implementation of digital workflows and employee adoption of paperless practices.

9.4 Water resources management

FingerTango strives to achieve water conservation goals by implementing various water conservation measures and improving water utilization. We aim to promote sustainable development among our employees provide relevant assistance. We have been promoting water conservation and posting relevant environmental information in our pantries and washrooms to provide our employees with the skills and knowledge to implement sustainable development.

Avoiding water waste, the Group post educational water-saving labels in pantries and washrooms to remind employees to conserve water and control water flow. We have adopted environmental-friendly energy-saving toilets with high energy-efficiency compression flushing technology and innovative super-large pipe-diameter flushing valves, which could control water consumption during normal use. In addition, if there is any water leakage, water seepage or dripping in washroom of the Company, we will arrange professionals for maintenance by the administrative department in a timely manner.

The Group sources water from municipal water supply and has no difficulty in sourcing water. During the Reporting Period, our water consumption data is as follows:

Water resources consumption	Unit	2024	2023
Total water consumption	Cubic metre	3,550	4,575
Total water consumption intensity (per employee)	Cubic metre/employee	12.03	11.42

Total water consumption decreased substantially by 22.4%, from 4,575 cubic meters in 2023 to 3,550 cubic meters in 2024. This reduction of 1,025 cubic meters demonstrates our continued commitment to water conservation and efficiency in our operations. The per-employee water intensity increased from 11.42 cubic meters per employee in 2023 to 12.03 cubic meters per employee in 2024, representing a 5.3% increase. This increase in intensity is directly attributable to the significant reduction in our employees in 2024. We remain committed to identifying additional water conservation opportunities to improve both absolute consumption and per-employee efficiency metrics in the coming year.

9.5 Cherishing natural resources and waste management

FingerTango understands that good waste management is beneficial to environmental protection. The Group has formulated the Management Measures and Processing Procedures for Waste Materials to regulate the disposal of waste materials. To assist in accomplishing our waste reduction goals, we adopted an online system to improve office efficiency while minimizing paper consumption and realizing paperless office. We encourage employees to use double-sided printing when necessary. When purchasing office supplies, we prefer environmentally friendly and recyclable materials. At the same time, we provide environmental friendly bags and personal drinking cups for new employees upon joining us, and advocate the reduction of disposable plastic bags and disposable paper cups during travel and office work.

For general waste, we promote waste sorting and recycling, and a recycling area for used batteries has been set up at the Company's reception. At the same time, the Company has set up express carton recycling area to facilitate employees to reuse and reduce waste. Qualified third-party companies dispose of hazardous waste (such as electronics, waste toner cartridges and ink cartridges) and non-hazardous waste (such as company restaurants food waste, waste paper, etc.).

The waste production data is as follows:

Total Waste Performance	Unit	2024	2023
Non-hazardous Waste			
Total non-hazardous waste	Tonnes	19.39	22.17
Non-hazardous waste intensity	Tonnes/employee	0.066	0.055
Non-hazardous waste recycled	Tonnes	19.39	22.17
Hazardous Waste			
Total hazardous waste	Tonnes	0.007	0.574
Hazardous Waste	Tonnes/employee	0.00002	0.00143
Other Hazardous Waste	Tonnes	–	0.002
Cartridge	Tonnes	0.007	0.012
Scrap IT equipment	Tonnes	–	0.560

Non-hazardous Waste Performance

Total non-hazardous waste, which primarily consists of food waste and other miscellaneous garbage from our office operations, decreased by 12.5% from 22.17 tonnes in 2023 to 19.39 tonnes in 2024. This reduction is directly attributable to the decrease in our workforce during this period. With fewer employees in our facilities, the volume of food waste and general office garbage naturally decreased.

Despite the overall reduction in total non-hazardous waste, the per-employee waste intensity increased from 0.055 tonnes/employee in 2023 to 0.066 tonnes/employee in 2024, representing a 20% increase. This increase in per-employee intensity reflects that while total waste decreased, it did not decrease proportionally to our workforce reduction. Certain baseline waste generation remains relatively constant regardless of headcount.

Hazardous Waste Performance

Our hazardous waste management shows dramatic improvement, with total hazardous waste decreasing by 98.8% from 0.574 tonnes in 2023 to just 0.007 tonnes in 2024. This remarkable reduction was achieved through several targeted initiatives:

1. Scrap IT equipment waste was completely eliminated, decreasing from 0.560 tonnes in 2023 to zero in 2024;
2. Cartridge waste was reduced by 41.7%, from 0.012 tonnes to 0.007 tonnes, aligning with our overall reduction in paper usage and printing activities; and
3. Other hazardous waste was completely eliminated, decreasing from 0.002 tonnes to zero.

These reductions in hazardous waste generation demonstrate our effective implementation of waste minimization practices, particularly regarding electronic waste and printing consumables.

We remain committed to continuing waste minimization efforts across all operations, with particular focus on addressing the increased per-employee non-hazardous waste intensity through targeted employee awareness programs and improved waste management practices.

10. MITIGATING CLIMATE CHANGE

FingerTango acknowledges the climate change is a critical global challenge. We actively responding to the national "3060" dual carbon policy and contributing to the country's goal of achieving carbon neutrality by 2060. FingerTango will continue to reduce carbon emissions and address the risks posed by climate change to enterprises. We have incorporated climate change elements into the Group's game brand "my Mission" to alert game players to the environment of extreme weather brought by climate change and promote the importance of environmental protection. During the year, we have identified climate change-related risks based on the characteristics of our business.

Climate Governance Structure

The Board of Directors maintains ultimate oversight of climate-related risks and opportunities, ensuring these considerations are integrated into our strategic planning and risk management processes. Our senior management team is responsible for executing climate-related initiatives and ensuring effective implementation of our climate strategy across business operations.

Climate-Related Risks and Opportunities

Category	Risk/Opportunity	Description	Potential Impact	Time Horizon
Physical Risks	Acute: Extreme weather events	Increased frequency and severity of typhoons and flooding in Guangdong and Shanghai	Operational disruptions, facility damage, staff accessibility challenges	Short to Medium term
	Acute: Heat waves	Periods of extreme heat affecting facilities and staff	Increased cooling costs, potential hardware impacts, reduced employee productivity	Short term
	Chronic: Rising sea levels	Long-term sea level rise affecting coastal facilities	Potential flooding risk for Guangzhou office	Long term
	Chronic: Rising mean temperatures	Gradual increase in average temperatures	Higher cooling costs, hardware performance impacts	Medium to Long term

Category	Risk/Opportunity	Description	Potential Impact	Time Horizon
Transition Risks	Policy and Legal	Carbon pricing mechanisms in China	Increased operational costs, particularly for electricity	Medium term
	Policy and Legal	Enhanced emissions reporting obligations	Higher compliance costs and resource requirements	Short to Medium term
	Technology	Costs to transition to lower emissions technology	Capital expenditure for server infrastructure upgrades	Short to Medium term
	Market	Changing customer preferences for environmentally responsible gaming	Potential market share impact	Medium term
	Reputation	Increased stakeholder concern about environmental performance	Impact on investor, partner, and employee relationships	Short to Medium term
Opportunities	Resource Efficiency	Cloud migration and server optimization	Reduced energy consumption and associated costs	Short term
	Energy Sources	Increasing procurement of renewable energy	Reduced exposure to fossil fuel price volatility and carbon regulations	Medium term
	Products and Services	Development of games with environmental themes	Appeal to eco-conscious consumers	Medium term
	Markets	Digital infrastructure expertise to support gaming industry's green transition	New business opportunities in collaborative platforms and tools	Medium to Long term

Climate Strategy

We have conducted a qualitative assessment of the potential impact of climate-related risks and opportunities on our business strategy and financial planning over the short (0–2 years), medium (2–5 years), and long term (5–10 years). This assessment has informed our three-pillar climate strategy:

1. Operational Resilience: Enhancing business continuity planning to address physical climate risks, including distributed server infrastructure and employee remote work capabilities.

2. Energy Efficiency: Implementing systematic improvements to reduce energy consumption in our operations, particularly in data centers and office facilities.

3. Digital Solutions: Leveraging our digital expertise to develop innovations that can help address climate challenges.

Risk Management

Our climate risk management process is integrated into our company-wide risk management framework and includes:

1. Risk Identification: Annual review of climate-related risks using both internal expertise and external climate data.

2. Risk Assessment: Evaluation of identified risks based on likelihood, potential impact, and time horizon.

3. Risk Prioritization: Focus on risks with the highest potential impact on our business operations and financial performance.

4. Risk Mitigation: Development and implementation of specific measures to address priority climate risks.

5. Monitoring and Reporting: Regular review of climate risk management effectiveness and reporting to the Board.

Climate Actions Taken

1. Vehicle Fleet Optimization: We significantly reduced our gasoline-powered vehicle fleet in 2024, retaining only essential hybrid vehicles. This initiative resulted in a significant reduction in petrol consumption and contributed to our dramatic decrease in Scope 1 emissions.

2. Office Energy Efficiency: Installed smart lighting systems and optimized HVAC operations in our offices, contributing to our overall energy efficiency improvements.

3. Digital Transformation: Accelerated our paperless office initiative, reducing paper consumption and supporting our overall environmental footprint reduction.

4. Climate Risk Assessment: Conducted comprehensive climate risk and opportunity assessment to inform our climate strategy and risk management approach.

Climate Resilience

As a digital gaming company, our business model has inherent advantages in terms of climate resilience compared to resource-intensive industries. Our digital products have minimal physical production requirements, and our continued shift to cloud infrastructure enhances our operational flexibility and disaster recovery capabilities.

We recognize that our most significant climate-related vulnerabilities lie in potential disruptions to our physical operations and infrastructure, particularly from extreme weather events. Our business continuity planning accounts for these risks through measures such as distributed server locations, backup power systems, and remote work capabilities.

We remain committed to monitoring evolving climate science, regulatory developments, and market expectations to ensure our climate strategy remains robust and aligned with stakeholder expectations. We will continue to enhance our climate disclosures in line with regulatory requirements and global best practices.

APPENDIX I: ESG RELATED LAWS, REGULATIONS, AND POLICIES

FingerTango 2024 ESG related laws, regulations, and policies

ESG aspects	Compliance with external laws and regulations	Internal policies of the Company
A1 Emissions	*National Catalogue of Hazardous Wastes* *Regulations on the Administration of Domestic Waste Classification in Guangzhou* *Administrative Measures for Urban Domestic Garbage*	*Waste Management Approach & Handling Procedure* *FingerTango Office Energy Conservation Guidelines*
A2 Use of resources	*Energy Conservation Law of the PRC* *Water Pollution Prevention and Control Law of the PRC*	*FingerTango Office Energy Conservation Guidelines* *"3K Game Security Service Workflow"*
A3 Environment and natural resources	*Environmental Protection Law of the PRC* *Energy Conservation Law of the PRC*	*FingerTango Office Energy Conservation Guidelines* *Explanation on Wastes Management Procedure*
A4 Climate change	*China's Policies and Actions for addressing Climate Change White Paper*	The Group actively follows the national strategy for addressing climate change, identifies possible climate change risks in its operations, and continues to adopt energy conservation and environmental protection measures in this report to reduce energy consumption.
B1 Employment	*Labour Law of the PRC* *Labour Contract Law of the PRC* *Tax Law of the PRC* *Social Insurance Law of the PRC* *Regulations on Unemployment Insurance* *Tentative Measures for Corporate Employee Maternity Insurance* *Regulations on Management of Housing Fund*	*3K Employee Handbook* *Employee Welfare Management System* *Employee Promotion and Remuneration Management Measures* *Welfare Costs Adjustment Plan*
B2 Health and safety	*Employment Injury Insurance Provisions of the People's Republic of China* *Supervision and Management Regulations on Work Space Occupational Sanitation* *Fire Control Law of the PRC*	*Employee Welfare Management System*
B3 Development and training	*Labour Law of the PRC*	*3K Employee Training Agreement* *Promotion Process for Rank and Rank*
B4 Labour standards	*Law of the PRC on the Protection of Minors* *Provisions on Prohibition of Child Labour*	The Group recruits university and college graduates and people with work experiences, and confirms their age by checking their IDs during on boarding, preventing child labour from the beginning.

ESG aspects	Compliance with external laws and regulations	Internal policies of the Company
B5 Supply chain management	*Company Law of the PRC* *Contract Law of the PRC*	*Anti-Fraud, Anti-Corruption and Anti-Commercial Bribery System* We have considered environmental and social risk factors in our contracts with suppliers of meals, electronics, office equipment and security service.
B6 Product responsibility	*Law of the People's Republic of China on the Protection of the Rights and Interests of Consumers* *Regulation on Internet Information Service of the People's Republic of China* *Interim Provisions on Cyber Culture Management* *Advertisement Law of the People's Republic of China* *Interim Measures for Online Advertisement Management* *Product Quality Law of the People's Republic of China* *Provisions on Publication Administration* *Notice on Mobile Game Publication Service Management* *Regulations on Online Publication Service Administration* *Trademark Law of the People's Republic of China* *Measures for the Administration of Telecommunications Business Licensing* *Notice of the Ministry of Culture on Enhancing Afterwards Supervision and Strengthening Regulations of Online Games* *Regulations on Internet Player Account Name Administration* *Cybersecurity Law of the People's Republic of China* *Intellectual Property Rights Protection Law of the People's Republic of China* *Implementation Plan for Comprehensive Prevention and Control of Juvenile Myopia*	*3K Games Privacy Policies* *Regulations on Advertisement Content Review* *3K Regulations on Quality Inspection Works on Customer Service* *3K GM Telephone Complaint Reception Guidelines* *Explanation on 3K Game User Data Destruction Procedure* *Workflow for Player Visit (generic version)* *Game Work Sheet Handling Procedure of GM Customer Service Center* *Regulations on Daily Monitoring Works* *Player Group Works Guidelines* *Community Monitoring Work Regulations* *Information Safety Management System* *Information Safety Confidentiality System* *Network Safety Operation Management System* *Information Safety Technology Protection Policies*
B7 Anti-corruption	*Law of the People's Republic of China on Anti-Unfair Competition* *Interim Provisions on Banning Commercial Bribery* *Company Law of the PRC*	*Anti-Fraud, Anti-Corruption and Anti-Commercial Bribery System*
B8 Community investment	Charity Law of the People's Republic of China	The Group established Guangzhou Shiguang Community Foundation（廣州市拾光公益基金會）to carry out various charitable activities.

APPENDIX II: CONTENT INDEX OF STOCK EXCHANGE ESG GUIDE

Description of indicator			Relevant Chapter
A. Environmental Area			
A1: Emissions	General Disclosure	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.	9. Environmental Protection 9.1 Reducing Environmental Impact 9.2 Greenhouse gas emission management 9.5 Cherishing natural resources and waste management
	A1.1	The types of emissions and respective emissions data.	9.2 Greenhouse gas emission management
	A1.2	Greenhouse gas emissions and intensity.	9.2 Greenhouse gas emission management
	A1.3	Total hazardous waste produced and intensity.	9.5 Cherishing natural resources and waste management
	A1.4	Total non-hazardous waste produced and intensity.	9.5 Cherishing natural resources and waste management
	A1.5	Description of emission target(s) set and steps taken to achieve them.	9.1 Reducing Environmental Impact
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	9.5 Cherishing natural resources and waste management

Description of indicator			Relevant Chapter
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources (including energy, water and other raw materials).	9. Environmental Protection 9.1 Reducing Environmental Impact 9.3 Energy Management 9.4 Water Resources Management
	A2.1	Direct and/or indirect energy consumption by type in total (for example, electricity, gas or oil) and intensity.	9.3 Energy Management
	A2.2	Water consumption in total and intensity.	9.4 Water Resources Management
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	9.1 Reducing Environmental Impact
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	9.4 Water Resources Management
	A2.5	Total packaging material used for finished products and with reference to per unit produced.	Not applicable, the Group's business does not involve packaging materials
A3: Environmental and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	9. Environmental Protection 9.1 Reducing Environmental Impact
	A3.1	Describe the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	9. Environmental Protection 9.1 Reducing Environmental Impact
A4: Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	10. Mitigating Climate Change
	A4.1	Description of the significant climate related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	10. Mitigating Climate Change

Description of indicator			Relevant Chapter
B. Social Area			
B1: Employment	General Disclosure	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.	5.1 Focus on Talents 5.2 Employment Management
	B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	5.9 Total number and Classification of Employees
	B1.2	Employee turnover rate by gender, age group and geographical region.	5.10 Employee Turnover Ratio
B2: Health and Safety	General Disclosure	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.	5.4 Focus on Employees ' Health and Safety 5.5 Daily Safety
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	5.5 Daily Safety
	B2.2	Lost days due to work injury.	5.5 Daily Safety
	B2.3	Describe occupational health and safety measures adopted, how they are implemented and monitored.	5.4 Focus on Employees ' Health and Safety 5.5 Daily Safety
B3: Development and Training	General Disclosure	Policies on improving employees ' knowledge and skills for discharging duties at work. Description of training activities.	5.6 Development and Training of Employees 5.8 Employee Team Building to Build up Staff Cohesion
	B3.1	The percentage of employees trained by gender and employee category.	5.7 Employee Training Data
	B3.2	The average training hours completed per employee by gender and employee category.	5.7 Employee Training Data

Description of indicator			Relevant Chapter
B4: Labour Standards	General Disclosure	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.	5.2 Employment Management
	B4.1	Describe measures to review employment practices to avoid child and forced labour.	5.2 Employment Management
	B4.2	Describe steps taken to eliminate such practices when discovered.	5.2 Employment Management
B5: Supply chain management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	7.1 Supply Chain Management
	B5.1	Number of suppliers by geographical region.	7.1 Supply Chain Management
	B5.2	Describe the practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	7.1 Supply Chain Management
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	7.1 Supply Chain Management
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	7.1 Supply Chain Management
B6: Product Responsibility	General Disclosure	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.	4.8 Advertisement Management 4.9 Privacy Protection Policy 4.12 Health and Safety of Games
	B6.1	Percentage of sold or shipped products to be recalled due to safety and health reasons.	4.16 Healthy Game Platform
	B6.2	Number of products and service related complaints received and how they are dealt with.	4.7 Focus on Service Quality
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	4.11 Protection of Intellectual Property Rights
	B6.4	Description of quality assurance process and recall procedures.	4.7 Focus on Service Quality
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	4.9 Privacy Protection Policy

Description of indicator			Relevant Chapter
B7: Anti-corruption	General Disclosure	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.	6.1 Corporate Anti-Corruption Governance
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	6.1 Corporate Anti-Corruption Governance
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	6.1 Corporate Anti-Corruption Governance
	B7.3	Description of anti-corruption training provided to directors and employees.	6.1 Corporate Anti-Corruption Governance
B8: Community Investment	General Disclosure	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.	8. Social Responsibility
	B8.1	Focus areas of contribution.	8. Social Responsibility
	B8.2	Resources contributed to the focus area.	8.1 Social Welfare Activities

Independent Auditor's Report

To the Shareholders of FingerTango Inc.
(incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of FingerTango Inc. (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 149 to 207, 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, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements present fairly, in all material respects, 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 IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IASB**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the 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 Matter

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

Revenue

Refer to Note 7 to the consolidated financial statements.

The Group is engaged in publishing third party/self-owned games to game players through third party and self-operated platforms. Revenue derives from sales of in-game virtual items and is recognised ratably over the estimates of playing period of paying players ("**Player Relationship Period**") as the Group has a continuing implied obligation to game developers and game players. Commissions charged by platforms are recognised in cost of revenue ratably over the Player Relationship Period as the platforms have similar obligations to the Group. In addition, the Group pays commissions to third party game programmers who are sub-contractors of the Group's self-owned game. The commissions are also recognised in cost of revenue ratably over the Player Relationship Period.

During the year ended 31 December 2024, the Group's revenue from game publishing amounted to RMB609,150,000. The balance of contract liabilities amounted to RMB55,464,000 as at 31 December 2024.

The Group determines the Player Relationship Period on a game-by-game basis taking into account all known and relevant information at the time of assessment. We focused on this area due to the fact that management applied significant judgements and estimation in determining the Player Relationship Period of each game. These judgements and estimation included: (i) the determination of key assumptions applied in the Player Relationship Period, including but not limited to the games profile, target audience and players of different demographic groups; (ii) the identification of events that may trigger changes in the Player Relationship Period; and (iii) the estimation of Player Relationship Period of newly launched games by considering the performance of similar types of games.

Key Audit Matter (continued)

Revenue (continued)

Our audit procedures included, among others:

- Evaluating the reasonableness of key assumptions applied in the determination of Player Relationship Period by comparing the Group's game profile with existing games category and assessing the variation on profile of target audience and players of different demographics groups;

- Testing the accuracy of revenue by confirming the sales proceeds amount with the platforms, testing the reconciliation between cash received and sales proceeds, on a sample basis;

- Testing the result of Player Relationship Period by reperforming the computation, on a sample basis;

- Comparing the current Player Relationship Period with the results of prior years to assess the reasonableness of the original estimation, on a sample basis; and

- Recalculating revenue and contract liabilities based on the respective Player Relationship Period of each game on a sample basis.

We consider that the Group's estimates of the contract liabilities balances, as well as the revenue recognised are supported by the available evidence.

Other Information

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

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

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

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, 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 HKSAs 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 HKSAs, 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.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- 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 to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

OOP CPA & Co.
Certified Public Accountants
Kwan Kai Chun
Practising Certificate Number: P06957

Hong Kong
28 March 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Revenue	7	609,150	646,101
Cost of revenue		(263,262)	(274,154)
Gross profit		345,888	371,947
Selling and marketing expenses		(223,026)	(305,690)
Administrative expenses		(53,142)	(51,638)
Research and development expenses		(64,704)	(70,910)
Other income, gains and losses	8	34,368	72,393
Operating profit		39,384	16,102
Lease interests		(870)	(1,121)
Profit before income tax		38,514	14,981
Income tax expense	9	(5,671)	(8,207)
Profit for the year attributable to owners of the Company	10	32,843	6,774
Other comprehensive income:			
Item that may be reclassified to profit or loss:			
Exchange differences on translating foreign operations		2,863	1,150
Other comprehensive income for the year, net of income tax		2,863	1,150
Total comprehensive income for the year attributable to owners of the Company		35,706	7,924
Profit per share (RMB)	13		
— Basic		0.0174	0.0036
— Diluted		0.0174	0.0036

Consolidated Statement of Financial Position

As at 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
ASSETS			
Non-current assets			
Property and equipment	14	10,877	12,331
Right-of-use assets	15	13,422	16,025
Intangible assets	16	39,044	12,748
Investments at fair value through profit or loss	18	120,847	115,501
Prepayments and deposits	21	12,336	10,450
Other receivables	22	—	2,377
Time deposits	24	30,000	—
Deferred tax assets	28	14,728	17,389
Total non-current assets		241,254	186,821
Current assets			
Trade receivables	19	45,079	80,684
Contract costs	20	19,467	20,312
Prepayments and deposits	21	24,920	25,146
Other receivables	22	22,801	21,267
Investments at fair value through profit or loss	18	7,461	143,155
Time deposits	24	289,218	—
Bank and cash balances	24	352,060	534,516
Total current assets		761,006	825,080
TOTAL ASSETS		1,002,260	1,011,901
EQUITY AND LIABILITIES			
Equity			
Share capital	29	62	62
Reserves	31	821,354	785,672
Total equity		821,416	785,734

As at 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Liabilities			
Current liabilities			
Trade payables	25	44,092	44,765
Contract liabilities	20	55,464	66,769
Accruals and other payables	26	48,951	65,937
Lease liabilities	27	7,120	6,416
Current tax liabilities		17,870	28,498
Total current liabilities		173,497	212,385
Non-current liabilities			
Lease liabilities	27	7,347	13,782
Total liabilities		180,844	226,167
TOTAL EQUITY AND LIABILITIES		1,002,260	1,011,901

The consolidated financial statements on pages 149 to 207 were approved and authorised for issue by the board of directors on 28 March 2025 and signed on its behalf by:

Chan Man Fung
Director

Li Nini
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

	Attributable to owners of the Company					
	Share capital RMB'000	Share premium RMB'000	Shares held for RSU Scheme RMB'000	Reserves RMB'000 (Note 32)	Retained profits/ (accumulated losses) RMB'000	Total RMB'000
At 1 January 2023	62	712,720	(2)	156,677	(91,647)	777,810
Total comprehensive income for the year	—	—	—	1,150	6,774	7,924
Changes in equity for the year	—	—	—	1,150	6,774	7,924
At 31 December 2023	62	712,720	(2)	157,827	(84,873)	785,734
At 1 January 2024						
Repurchase of shares	—	(24)	—	—	—	(24)
Total comprehensive income for the year	—	—	—	2,863	32,843	35,706
Changes in equity for the year	—	(24)	—	2,863	32,843	35,682
At 31 December 2024	62	712,696	(2)	160,690	(52,030)	821,416

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	2024 RMB'000	2023 RMB'000
Cash flows from operating activities		
Profit before income tax	38,514	14,981
Adjustments for:		
Lease interests	868	1,121
Interest revenue	(19,146)	(9,256)
Depreciation of property and equipment	4,767	4,526
Depreciation of right-of-use assets	7,079	6,590
Amortisation of intangible assets	7,351	4,463
Loss on disposals of property and equipment	576	702
Net foreign exchange gains	(2,251)	(3,243)
Changes in fair value of investments at fair value through profit or loss	2,273	(9,385)
(Reversal of) loss allowance provision for trade receivables	500	(2,094)
Reversal of impairment on prepayments	(9,025)	(943)
Written off prepayments	755	3,774
Loss allowance provision for other receivables, net of reversal	(1,071)	(44,788)
Reversal of loss allowance provision for notes receivables	(11,000)	—
Operating loss before changes in working capital	20,190	(33,552)
Decrease/(increase) in trade receivables	35,105	(11,352)
Decrease in contract costs	845	4,333
(Increase)/decrease in prepayments, deposits and other receivables	(2,133)	39,174
Decrease in notes receivables	11,000	—
Decrease in trade payables	(673)	(16,643)
Decrease in contract liabilities	(11,305)	(2,874)
Decrease in accruals and other payables	(18,130)	(23,033)
Cash generated/(used in) from operating activities	34,899	(43,947)
Income tax paid	(12,179)	(10,280)
Interest received	19,146	9,256
Lease interests paid	(868)	(1,121)
Net cash generated from/(used in) operating activities	40,998	(46,092)

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	2024 RMB'000	2023 RMB'000
Cash flows from investing activities		
Placement of time deposits	(319,218)	—
Release of restricted bank deposits	—	2,213
Purchases of property and equipment	(3,889)	(4,561)
Purchases of intangible assets	(33,389)	(1,366)
Purchases of investments at fair value through profit or loss	(210,000)	(520,000)
Settlement of investments at fair value through profit or loss	339,456	420,000
Net cash used in investing activities	(227,040)	(103,714)
Cash flows from financing activities		
Repayment of lease liabilities	(7,376)	(6,368)
Payments on repurchase of shares	(24)	—
Net cash used in financing activities	(7,400)	(6,368)
Net decrease in cash and cash equivalents	(193,442)	(156,174)
Effect of foreign exchange rate changes	10,986	7,891
Cash and cash equivalents at the beginning of the year	534,516	682,799
Cash and cash equivalents at the end of the year	352,060	534,516
Analysis of cash and cash equivalents		
Bank and cash balances	352,060	534,516

1. General Information

FingerTango Inc. (the "**Company**") was incorporated in the Cayman Islands on 9 January 2018 as an exempted company with limited liability. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business in Hong Kong is Room 1602, 16/F, Park Commercial Centre, 180 Tung Lo Wan Road, Causeway Bay, Hong Kong. The address of its headquarters is Building 5, Zone A, Huaxin Kechuang Island, No. 248 Qiaotou Street, Haizhu District, Guangzhou, the People's Republic of China (the "**PRC**"). The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The Company is an investment holding company. The principal activities of the subsidiaries of the Company is set out in note 17 to the consolidated financial statements.

In the opinion of the directors of the Company (the "**Directors**"), as at 31 December 2024, LJ Technology Holding Limited, a company incorporated in the British Virgin Islands ("**BVI**"), is the ultimate holding company; and Mr. Liu Jie is the ultimate controlling party of the Company.

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

2. Application of New and Amendments to IFRS Accounting Standards

New and amendments to IFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to IFRS Accounting Standards issued by the International Accounting Standards Board ("**IASB**") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

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

2. Application of New and Amendments to IFRS Accounting Standards (continued)

Impacts on application of Amendments to IAS 1 Classification of Liabilities as Current or Non-current and Amendments to IAS 1 Non-current Liabilities with Covenants

The Group has applied the amendments for the first time in the current year.

The amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the classification should not be affected by management intentions or expectations to settle the liability within 12 months.
- clarify that the settlement of a liability can be a transfer of cash, goods or services, or the entity's own equity instruments to the counterparty. If a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying IAS 32 Financial Instruments: Presentation.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the amendments specifically clarify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date, even if compliance with the covenant is assessed only after the reporting date. The amendments also specify that covenants with which an entity must comply after the reporting date (i.e. future covenants) do not affect the classification of a liability as current or non-current at the reporting date. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants, the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

In accordance with the transition provision, the Group has applied the new accounting policy to the classification of liability as current or non-current retrospectively. The application of the amendments in the current year had no material impact on the consolidated financial statements.

2. Application of New and Amendments to IFRS Accounting Standards (continued)

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

The Group has not early applied any of the new and revised IFRS Accounting Standards that have been issued but are not yet effective for the accounting period ended 31 December 2024, in these financial statements.

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards — Volume 11[3]
Amendments to IAS 21	Lack of Exchangeability[2]
IFRS 18	Presentation and Disclosure in Financial Statement[4]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2025.
3 Effective for annual periods beginning on or after 1 January 2026.
4 Effective for annual periods beginning on or after 1 January 2027.

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

IFRS 18 Presentation and Disclosure in Financial Statements

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

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group's consolidated financial statements.

3. Material Accounting Information

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

Basis of consolidation

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

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

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

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

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

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

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

3. Material Accounting Information (continued)

Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer with reference to the customary business practices and excludes amounts collected on behalf of third parties. For a contract where the period between the payment by the customer and the transfer of the promised product or service exceeds one year, the consideration is adjusted for the effect of a significant financing component.

The Group recognises revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. Depending on the terms of a contract and the laws that apply to that contract, a performance obligation can be satisfied over time or at a point in time. A performance obligation is satisfied over time if:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If a performance obligation is satisfied over time, revenue is recognised by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the product or service.

Other information about the Group's accounting policies relating to contracts with customers is provided in Note 7.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

3. Material Accounting Information (continued)

Impairment on plant and equipment, right-of-use assets, and intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its plant and equipment, right-of-use assets, intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of plant and equipment, right-of-use assets, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3. Material Accounting Information (continued)

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

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

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

Financial assets

Classification and subsequent measurement of financial assets

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

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

All other financial assets are subsequently measured at FVTPL.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

3. Material Accounting Information (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

(i) Amortised cost and interest income

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

(ii) Financial assets at FVTPL

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss is included in the "other gains and losses" line item.

Impairment of financial assets subject to impairment assessment under IFRS 9

The Group performs impairment assessment under expected credit loss ("**ECL**") model on financial assets (including trade receivables, deposits, notes receivables, other receivables, investments at FVTPL, time deposits and Bank and cash balance) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

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

The Group always recognises lifetime ECL for trade receivables.

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

3. Material Accounting Information (continued)

Financial instruments (continued)

Financial assets (continued)

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

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

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

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

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

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

3. Material Accounting Information (continued)

Financial instruments (continued)

Financial assets (continued)

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

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full.

A significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment. A default on a financial asset is when the counterparty fails to make contractual payments within 60 days of when they fall due.

(iii) Credit-impaired financial assets

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

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

(e) the disappearance of an active market for that financial asset because of financial difficulties.

3. Material Accounting Information (continued)

Financial instruments (continued)

Financial assets (continued)

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

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience and forward looking information that is available without undue cost or effort.

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

Lifetime ECL for certain trade receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

3. Material Accounting Information (continued)

Financial instruments (continued)

Financial assets (continued)

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

(v) Measurement and recognition of ECL (continued)

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

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

Financial liabilities and equity

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

All financial liabilities including trade and other payables are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group’s obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4. Critical Judgement and Key Estimates

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

The estimates and underlying assumptions are reviewed on an on-going 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.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(a) Estimates of the playing period of paying players ("Player Relationship Period") in the Group's game publishing services

As described in note 7 to the consolidated financial statements, the Group recognises revenue from virtual items ratably over the Player Relationship Period. The determination of Player Relationship Period of each game is based on the Group's best estimate that takes into account all known and relevant information at the time of assessment. Such estimates are subject to re-evaluation on a semi-annual basis. Any adjustments arising from changes in the Player Relationship Period as a result of new information will be accounted for prospectively as a change in accounting estimate.

(b) Provision of loss allowance for trade receivables, other receivables and notes receivables

The Group makes provision of loss allowance for trade receivables, other receivables and notes receivables based on assessments of the recoverability of the balances, including the current creditworthiness and the past collection history of each debtor. Impairments arise where events or changes in circumstances indicate that the balances may not be collectible. The impairment assessment requires the use of judgement and estimates. The information about the impairment assessment of trade receivables, other receivables and notes receivables are disclosed in note 5b.

(c) Fair value of investments

In the absence of quoted market prices in an active market, the Directors estimate the fair value of the Group's unlisted wealth management products and private equity investments, details of which are set out in note 6 to the consolidated financial statements, by considering information from a variety of sources, including the latest published financial information, the historical data on market volatility as well as the price and industry and sector performance of the Group's unlisted wealth management products and private equity investments.

5. Financial Risk Management

5a. Categories of financial instruments

	2024 RMB'000	2023 RMB'000
Financial assets:		
Investments at fair value through profit or loss	128,308	258,656
Financial assets at amortised cost (including cash and cash equivalents)	738,777	637,867
Financial liabilities:		
Financial liabilities at amortised cost	90,057	109,395

5b. Financial risk management objectives and polices

The Group's major financial instruments include Investments at fair value through profit or loss, notes receivables, trade receivables, deposits, other receivables, time deposits, bank and cash balances, trade payables and other payables. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include currency risk, interest rate risk, other price risk, credit risk, and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Currency risk

The Group has certain exposure to foreign currency risk as most of its business transactions, assets and liabilities are denominated in RMB, USD or HKD. In addition, the Group has intra-group balances with several subsidiaries denominated in foreign currency which also expose the Group to foreign currency risk.

The Group currently does not have a foreign exchange hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arise.

As at 31 December 2024, if RMB had weakened/strengthened 5% against USD and HKD with all other variables held constant, post-tax loss for the year would have been RMB7,465,000 (2023: RMB7,118,000) and RMB2,447,000 (2023: RMB2,834,000) lower/higher respectively, arising mainly as a result of the foreign exchange gains/losses on translation of USD and HKD denominated cash and cash equivalents of the subsidiaries of the Company.

5. Financial Risk Management (continued)

5b. Financial risk management objectives and polices (continued)

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to time deposits (see note 24) and lease liabilities (see note 27 for details). The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances (see note 24). The Group cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank balances.

The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider other necessary actions when significant interest rate exposure is anticipated. It is the Group's policy to keep its deposits at floating rate of interests so as to minimise the fair value interest rate risk. The management of the Group considered that the exposure to cash flow in interest rate risk in relation to bank balances is minimal and no sensitivity analysis is presented accordingly.

Price risk

The Group is exposed to equity price risk through its investments in equity securities, unlisted wealth management products, and private equity companies measured at FVTPL. For equity securities measured at FVTPL quoted in The Stock Exchange of Hong Kong Limited. In addition, the Group also invested in certain unquoted equity securities for investees for long term strategic purposes which had been designated as FVTPL. The Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise. The management of the Group manages this exposure by maintaining a portfolio of investments with different risks.

As at 31 December 2024, if the fair value of the investments increase/decrease by 5%, loss before income tax for the year would have been RMB6,415,000 (2023: RMB12,933,000) lower/higher, arising as a result of the fair value gain/loss of the investments.

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade receivables, deposits, other receivables, time deposits, bank and cash balances, investments in unlisted wealth management products measured at FVTPL and notes receivables. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

5. Financial Risk Management (continued)

5b. Financial risk management objectives and polices (continued)

Credit risk and impairment assessment (continued)

Except for investments in unlisted wealth management products measured at FVTPL, the Group performed impairment assessment for financial assets and other items under ECL model. Information about the Group's credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, are summarised as below:

Investments in unlisted wealth management products measured at FVTPL

The credit risk on these investments at FVTPL are limited because the counterparties are reputable financial institutions in the PRC. There has been no recent history of default in relation to these financial institutions.

Trade receivables arising from contracts with customers

Trade receivables are due from Platforms and Payment Channels in cooperation with the Group. If the strategic relationship with the Platforms and Payment Channels is terminated or scaled-back; or if the Platforms and Payment Channels alter the co-operative arrangements; or if they experience financial difficulties in paying the Group, the Group's game publishing receivables might be adversely affected in terms of recoverability. To minimise this risk, the Group maintains frequent communications with the Platforms and Payment Channels to ensure the effective credit control. In view of the history of cooperation with the Platforms and Payment Channels and the sound collection history of receivables due from them, the Directors believe that the credit risk inherent in the Group's outstanding trade receivable balances due from the Platforms and Payment Channels is low.

In addition, the Group performs impairment assessment under ECL model on trade receivables with significant balances and credit-impaired individually and/or collectively. The trade receivables are grouped based on aging of outstanding balances. Provision of impairment loss of RMB500,000 (2023: reversal of impairment loss of RMB2,094,000) is recognised during the year. Details of the quantitative disclosures are set out below in this note.

Other receivables, deposits and notes receivables

The management makes periodic individual assessment on the recoverability of other receivables, deposits and notes receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information.

For other receivables and deposits, reversal of impairment loss of RMB10,096,000 (2023: reversal of impairment loss of RMB45,732,000) is recognised during the year. Details of the quantitative disclosures are set out below in note 21 and 22.

For notes receivables, reversal of impairment loss of RMB11,000,000 (2023: nil) is recognised during the year. Details of the quantitative disclosures are set out below in note 23.

5. Financial Risk Management (continued)

5b. Financial risk management objectives and polices (continued)

Credit risk and impairment assessment (continued)

Time deposits and bank balances

Credit risks on time deposits and bank balances are limited because the counterparties are reputable banks with high credit ratings assigned by international credit agencies. The Group assessed 12m ECL for time deposits and bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12m ECL on time deposits and bank balances is considered to be insignificant and therefore no loss allowance was recognised.

The Group's exposure to credit risk

The Group's internal credit risk grading assessment comprises the following categories:

Category	Definition	Loss provision
Performing	Low risk of default and strong capacity to pay	12-month expected losses
Non-performing	Significant increase in credit risk	Lifetime expected losses

As part of the Group's credit risk management, the Group uses debtors' aging to assess the impairment for its customers because these customers consist of a large number of small customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The following table provides information about the exposure to credit risk for trade receivables which are assessed on a collective basis by using provision matrix within lifetime ECL (not credit-impaired).

	Average loss rate	Trade receivables RMB'000
At 31 December 2024		
Current	0.001 %	18,122
1 to 3 months past due	0.001 %	26,175
3 to 5 months past due	0.001 %	143
6 months to 1 year past due	50%	1,676
More than 1 year past due	100%	776
		46,892

5. Financial Risk Management (continued)

5b. Financial risk management objectives and polices (continued)

Credit risk and impairment assessment (continued)

The Group's exposure to credit risk (continued)

	Average loss rate	Trade receivables RMB'000
At 31 December 2023		
Current	0.001%	26,978
1 to 3 months past due	0.001%	45,283
3 to 5 months past due	0.001%	7,469
6 months to 1 year past due	50%	1,907
More than 1 year past due	100%	360
		81,997

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. During the year ended 31 December 2024, the Group provided RMB500,000 (2023: reversed RMB2,094,000) impairment allowance for trade receivables, based on collective assessment. The movement in lifetime ECL that has been recognised for trade receivables in set out in note 19.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

5. Financial Risk Management (continued)

5b. Financial risk management objectives and polices (continued)

Liquidity risk (continued)

The following table details the Group's remaining contractual maturity for its financial liabilities and derivative instruments. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank loans with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

The table includes both interest and principal cash flows.

	Weighted average interest rate	On demand or within 1 year RMB'000	1 to 2 years RMB'000	2 to 5 years RMB'000	Total undiscounted cash flows RMB'000	Carrying amount RMB'000
At 31 December 2024						
Trade payables	–	44,092	–	–	44,092	44,092
Accruals and other payables	–	45,965	–	–	45,965	45,965
Lease liabilities	4.75%	7,237	7,237	–	14,474	14,467
		97,294	7,237	–	104,531	104,524
At 31 December 2023						
Trade payables	–	44,765	–	–	44,765	44,765
Accruals and other payables	–	64,630	–	–	64,630	64,630
Lease liabilities	4.75%	7,237	7,237	7,237	21,711	20,198
		116,632	7,237	7,237	131,106	129,593

6. Fair Value Measurements of Financial Instruments

Some of the Group's financial instruments are measured at fair value for financial reporting purposes. 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. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

- 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.

In estimating the fair value, the Group uses market-observable data to the extent it is available. For instruments with significant unobservable inputs under Level 3, the Group engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

Description	Level 1 RMB'000	Level 3 RMB'000	Total RMB'000
At 31 December 2024			
Investments at FVTPL			
— Listed equity securities in Hong Kong	7,461	—	7,461
— Unlisted wealth management products	—	120,847	120,847
Total recurring fair value measurements	7,461	120,847	128,308

6. Fair Value Measurements of Financial Instruments (continued)

Fair value of the Group's financial assets that are measured at fair value on a recurring basis (continued)

Description	Level 1 RMB'000	Level 3 RMB'000	Total RMB'000
At 31 December 2023			
Investments at FVTPL			
— Listed equity securities in Hong Kong	23,155	—	23,155
— Unlisted wealth management products	—	235,501	235,501
Total recurring fair value measurements	23,155	235,501	258,656

Reconciliation of Level 3 fair value measurements

Description	Investments at FVTPL 2024 RMB'000	2023 RMB'000
At 1 January	**235,501**	131,671
Total gains or losses recognised in profit or loss (#)	**4,159**	2,140
Additions	**210,000**	520,000
Settlements	**(330,000)**	(420,000)
Currency translation differences	**1,187**	1,690
At 31 December	**120,847**	235,501
(#) Include gains or losses for assets held at the end of the reporting period	**4,159**	2,140

The total gains or losses recognised in profit or loss including those for assets held at the end of the reporting period are presented in other income, gains and losses in the consolidated statement of profit or loss and other comprehensive income.

6. Fair Value Measurements of Financial Instruments (continued)

Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at the end of the reporting period

The Group's chief financial officer is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. The chief financial officer reports directly to the board of directors (the "**Board**") for these fair value measurements. Discussions of valuation processes and results are held between the chief financial officer and the Board at least twice a year.

For level 3 fair value measurements, the Group has a team that manages the valuation exercise of level 3 financial instruments for financial reporting purposes. The team manages the valuation exercise of the investments on a case-by-case basis. At least twice every year, the team would use valuation techniques to determine the fair value of the Group's level 3 financial instruments. External valuation experts will be involved when necessary.

Level 3 fair value measurements

Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value RMB'000
At 31 December 2024					
Investments at fair value through profit or loss					
— Unlisted wealth management products	Market comparable approach	Dealer quotes for similar instruments	up to 5.0%	Increase	120,847
At 31 December 2023					
Investments at fair value through profit or loss					
— Unlisted wealth management products	Market comparable approach	Dealer quotes for similar instruments	up to 5.0%	Increase	115,501
	Discounted cash flow	Estimated return	2.75% – 3.77%	Increase	120,000

There were no changes in the valuation techniques used.

7. Revenue and Segment Information

The Group's chief operating decision maker has been identified as its executive directors, who review the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole. Therefore, the Group has only one reportable segment. The Group does not distinguish between markets or segments for the purpose of internal reporting. The Group's long-lived assets are substantially located in the PRC and substantially all of the Group's revenues are derived from the PRC. Therefore, no geographical segments are presented.

	2024 RMB'000	2023 RMB'000
Self-publishing	324,148	328,088
Co-publishing	285,002	318,013
Total revenue	609,150	646,101
Disaggregation of revenue from contracts with customers:		
Timing of revenue recognition		
Over time	609,150	646,101

Game publishing service revenue

The Group is a publisher of online mobile games developed by third party game developers or its own through commissioned development arrangements. The Group licenses online games from game developers and earns game publishing service revenue by publishing them to the game players through Platforms, include commissioned development arrangements. The Group licenses online games from game developers and major online platforms and application stores (installed in mobile telecommunications devices), and its self-operated platform. The games licensed to the Group are operated under a free-to-play model whereby game players can play the games free of charge and are charged for the purchase of virtual items via payment channels, such as the various mobile carriers and third-party internet payment systems (collectively referred to as "**payment channels**").

(i) Principal-Agent consideration

Third party developed games

Proceeds earned from selling game tokens and other virtual items are shared between the Group and game developers, with the amount payable to game developers generally calculated based on face value of game tokens or other virtual items determined by game developers, after deducting certain deductible fees and multiplied by a predetermined percentage for each game. The deductible fees are predetermined and negotiated game by game, including the fees to be shared with the Platforms and payment handling costs charged by the payment channels.

7. Revenue and Segment Information (continued)

Game publishing service revenue (continued)

(i) Principal-Agent consideration (continued)

Third party developed games (continued)

With respect to the Group's licensed games, the game developers have the primary responsibilities for the hosting and maintenance of the game servers and providing the game content to the game players and have the right to determine the pricing of in-game virtual items and the specification, modification or any update of the game themselves or as proposed by the Group. The Group's responsibilities to the game developers are publishing, providing payment solution, market promotion service, customer service and maintaining the access portal network. Both the game developers and the Group have responsibilities to ensure the game players can continue to gain access to the mobile game to get the games experience and benefit after the sale of the virtual items. Therefore, the Group's service obligations as a publisher to the game developers are also directly linked to each user's engagement. The Group views both game developers and game players to be its customers. The Group considers for each sharing of payment made by the game player, it has implied obligation to maintain the access portal network for certain period for the game player to access to the game. Accordingly, the Group records the game publishing service revenue from in-game payments for these licensed games, net of amounts paid to game developers and recognised the revenue over the Player Relationship Period as detailed in note 7(ii) to the consolidated financial statements.

The Group published games on its self-operated platform and via cooperation with the Platforms, under which the Group is responsible for determining the Platforms and payment channels, and providing customer services as well as marketing activities. For games self-operated by the Group, payment channels are responsible for payment collections. For games cooperated with the Platforms, the Platforms are responsible for distribution, platform maintenance, paying player authentication and payment collections related to the games.

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

Different from the above analysis, for games cooperated with Apple App, the game developers are fully aware of Apple App's roles and responsibilities. The Group considered that Apple App and itself provide services to the game developers together, as the Group does not have the latitude in selecting and negotiating with Apple App and does not have the primary responsibility to game developers for the service provided by them. Commissions charged by Apple App are deducted from revenue.

7. Revenue and Segment Information (continued)

Game publishing service revenue (continued)

(i) Principal-Agent consideration (continued)

Commissioned-developed games

The Group commissioned third-party game programmers to develop mobile games based on the Group's instruction. Under the game development and operation arrangement, the Group owns the commissioned-developed games' copyrights and other intellectual property, and takes primary responsibilities of game development and game operation, including designing, development, and updating of the games including the game content, as well as the pricing of virtual items, providing on-going updates of new contents and bug fixing, determining the Platforms and payment channels, and providing customer services. Under this type of agreement, the Group considers itself the principal in this arrangement to the game players. Accordingly, the Group records the online game revenue from these games on a gross basis. Commission fees payable to the game programmers and the Platforms, and payment handling costs charged by payment channels are recorded as cost of revenue.

(ii) Timing of revenue recognition

Third party developed games

As detailed in note 7(i) to the consolidated financial statements, the Group has a continuing implied obligation to game developers and game players, therefore, for the purposes of determining when services have been provided to the respective players, the Group estimates the Player Relationship Period on a game-by-game basis and re-assesses such periods monthly. Revenues of game publishing service are recognised ratably over the Player Relationship Period for a specific game. If there are insufficient data to determine the Player Relationship Period, such as in the case of a newly launched game, it estimates the Player Relationship Period based on other similar types of games developed by third-party developers until the new game establishes its own patterns and history. The Group considers the games profile, target audience, and its appeal to players of different demographics groups in estimating the Player Relationship Period.

Commissioned-developed games

Revenue of commissioned-developed games are recognised ratably over the Player Relationship Period or as the consumable virtual items are consumed.

If the Group does not have the ability to differentiate revenue attributable to durable virtual items from consumable virtual items for a specific game, the Group recognises revenue from both durable and consumable virtual items for that game ratably over the Player Relationship Period, which is similar to the policy for timing of revenue recognition of third party developed games.

7. Revenue and Segment Information (continued)

Game publishing service revenue (continued)

Revenue from major customers:

No revenue is derived from any individual game player which amounted for over 10% of the Group's total revenue (2023: nil).

The following table summarises the percentage of revenue from games licensed by a single game developer exceeding individually 10% of the Group's revenue during the year ended 31 December 2024:

	2024	2023
Game developer a	70.4%	72.4%

8. Other Income, Gains and Losses

	2024 RMB'000	2023 RMB'000
Interest revenue	19,146	9,256
Government grants	2,483	3,502
Changes in fair value of investments at fair value through profit or loss	(2,273)	9,385
Net foreign exchange gains	2,251	3,243
Loss allowance provision for notes and other receivables, net of reversal (note)	12,071	44,788
Others	690	2,219
	34,368	72,393

Note:

The amount was derived from (i) the partial settlement of principal amount of notes receivables for amount of RMB11 million from Orbitronic Global Development Co., Limited; (ii) the repayment of interest receivables of loans to third parties for the amount of approximately RMB1.3 million from Mr. SZE Ka Ho, and (iii) provision of loss allowance for other balances for the amount of RMB0.2 million.

9. Income Tax Expense

	2024 RMB'000	2023 RMB'000
Current tax — PRC Enterprise Income Tax ("**EIT**") and other jurisdictions	3,010	6,915
Deferred tax (note 28)	2,661	1,292
	5,671	8,207

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the subsidiaries of the Company in the PRC is 25% (2023: 25%).

Shanghai Fenyou Networks Technology Limited ("**Shanghai Fenyou**"), subsidiary of the Company, was accredited as "Software Enterprise" under the relevant PRC laws and regulations. Shanghai Fenyou is exempted from EIT for two years, followed by 50% reduction in the applicable tax rates for the next three years, commencing from the first year of profitable operation after offsetting tax losses generating from prior years. Shanghai Fenyou started to enjoy the 0% preferential tax rate for two years beginning from year 2023, followed by 50% reduction in the applicable tax rates for the next three years.

Guangzhou Miyuan Networks Technology Co., Limited ("**Miyuan Networks**") was qualified as "High and New Technology Enterprises" under the EIT Law since year 2016. Accordingly, it was entitled to a preferential tax rate of 15% for a 3-year period. Miyuan Networks was re-entitled as "High and New Technology Enterprises" under the EIT Law in year 2023. Accordingly, the applicable tax rate was 15% (2023: 15%) for the year ended 31 December 2024.

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

The reconciliation between the income tax expense and the product of loss before income tax multiplied by the weighted average tax rate of the consolidated companies is as follows:

	2024 RMB'000	2023 RMB'000
Profit before income tax	38,515	14,981
Tax at the weighted average tax rate	9,986	496
Tax effect of expenses not deductible for tax purpose	2,866	1,337
Tax effect of income not taxable for tax purpose	(9,889)	(15,664)
Tax effect of utilisation of tax losses not previously recognised	(8,363)	—
Tax effect of tax losses not recognised	13,880	22,056
Preferential tax rates applicable to certain subsidiaries of the Company	(2,809)	(18)
Income tax expense	5,671	8,207

10. Profit for the Year

The Group's profit for the year is stated after charging/(crediting) the following:

	2024 RMB'000	2023 RMB'000
Amortisation of licenses (included in cost of revenue)	5,891	3,000
Amortisation of other intangible assets (included in administrative expenses)	1,460	1,463
Depreciation of property and equipment	4,767	4,526
Depreciation of right-of-use assets	7,079	6,590
Research and development expenditure	64,704	70,910
Auditor's remuneration		
— Audit services	2,657	2,609
— Non-audit services	275	202
	2,932	2,811
(Reversal of) loss allowance provision for trade receivables (included in administrative expenses)	500	(2,094)
Reversal of impairment on prepayments (included in administrative expenses)	(9,025)	(943)
Loss allowance provision for other receivables, net of reversal	(1,071)	(44,788)
Reversal of loss allowance provision for notes receivables	(11,000)	—
Staff costs including Directors' emoluments		
— Wages, salaries and bonuses	84,496	91,245
— Pension costs — defined contribution plans	5,464	4,968
— Social security costs, housing benefits and other employee benefits	6,906	6,822
	96,866	103,035

11. Directors' and Chief Executive's Emoluments and Five Highest Paid Employees

(a) Directors' and chief executive's emoluments

Directors' and chief executive's emoluments for the year, disclosed pursuant to the applicable Listing Rules, is as follows:

	2024				
Name of directors	Fees RMB'000	Salaries RMB'000	Pension costs — defined contribution plans RMB'000	Social security costs, housing benefits and other employee benefits RMB'000	Total RMB'000
Executive directors:					
Mr. Liu Jie (note (i))	110	1,719	11	23	1,863
Mr. Chan Man Fung	220	—	—	—	220
Ms. Li Nini (note (ii))	16	1,587	11	25	1,639
Independent non-executive directors:					
Mr. Jiang Huihui	183	—	—	—	183
Mr. Chow Wing Yiu	183	—	—	—	183
Mr. Shin Ho Chuen	183	—	—	—	183
	895	3,306	22	48	4,271

11. Directors' and Chief Executive's Emoluments and Five Highest Paid Employees (continued)

(a) Directors' and chief executive's emoluments (continued)

	2023				
Name of directors	Fees RMB'000	Salaries RMB'000	Pension costs — defined contribution plans RMB'000	Social security costs, housing benefits and other employee benefits RMB'000	Total RMB'000
Executive directors:					
Mr. Liu Jie (note (i))	216	1,600	10	9	1,835
Mr. Zhu Yanbin (note (iii))	104	1,159	5	9	1,277
Mr. Chan Man Fung (note (iv))	111	—	—	—	111
Independent non-executive directors:					
Mr. Guo Jingdou (note (v))	120	—	—	—	120
Ms. Sui Pengda (note (vi))	90	—	—	—	90
Dr. Liu Jianhua (note (vii))	120	—	—	—	120
Mr. Jiang Huihui (note (viii))	93	—	—	—	93
Mr. Chow Wing Yiu (note (ix))	62	—	—	—	62
Mr. Shin Ho Chuen (note (x))	62	—	—	—	62
	978	2,759	15	18	3,770

Notes:

(i) Resigned on 16 December 2024.

(ii) Appointed on 5 December 2024.

(iii) Resigned on 23 June 2023.

(iv) Appointed on 29 June 2023.

(v) Resigned on 29 August 2023.

(vi) Resigned on 29 June 2023.

(vii) Resigned on 29 August 2023.

(viii) Appointed on 29 June 2023.

(iv) Appointed on 29 August 2023.

(x) Appointed on 29 August 2023.

There was no arrangement under which a director or the chief executive waived or agreed to waive any emoluments during the year.

11. Directors' and Chief Executive's Emoluments and Five Highest Paid Employees (continued)

(b) Directors' material interests in transactions, arrangements or contracts

No other significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of or at any time during the year ended 31 December 2024 (2023: nil).

(c) Five highest paid employees

The five highest paid employees of the Group during the year included 2 (2023: 2) Directors whose emoluments are set out in note 12(a) to the consolidated financial statements. Details of the emoluments for the year of the remaining 3 (2023: 3) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2024 RMB'000	2023 RMB'000
Wages, salaries and bonuses	2,527	4,495
Pension costs — defined contribution plans	21	30
Social security costs, housing benefits and other employee benefits	42	53
	2,590	4,578

The number of the highest paid employees who are not the Directors and whose emoluments falls within the following bands:

	Number of individuals	
	2024	2023
HK$1,000,001 to HK$1,500,000	1	1
HK$1,500,001 to HK$2,000,000	1	2
HK$2,000,001 to HK$2,500,000	—	—
	2	3

12. Dividend

No dividends was paid or proposed for ordinary shareholders of the Company during the year ended 31 December 2024, nor has any dividend been proposed at the end of the reporting period (2023: nil).

13. Profit Per Share

The calculation of the basic and diluted profit/(loss) per share is based on the following:

	2024 RMB'000	2023 RMB'000
Profit		
Profit for the purpose of calculating basic and diluted profit per share	32,843	6,774

	2024 '000	2023 '000
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted profit per share	1,886,657	1,899,956

The effects of all potential shares are anti-dilutive for the years ended 31 December 2024 and 2023.

14. Property and Equipment

	Servers and other equipment RMB'000	Motor vehicles RMB'000	Leasehold improvements RMB'000	Total RMB'000
Cost				
At 1 January 2023	9,523	14,499	14,325	38,347
Additions	1,338	642	2,581	4,561
Disposals	(969)	—	—	(969)
At 31 December 2023 and 1 January 2024	**9,892**	**15,141**	**16,906**	**41,939**
Additions	**45**	**3,262**	**582**	**3,889**
Disposals	**(467)**	**(4,036)**	**—**	**(4,503)**
At 31 December 2024	**9,470**	**14,367**	**17,488**	**41,325**
Accumulated depreciation				
At 1 January 2023	7,119	10,870	7,360	25,349
Charge for the year	934	1,298	2,294	4,526
Disposals	(267)	—	—	(267)
At 31 December 2023 and 1 January 2024	**7,786**	**12,168**	**9,654**	**29,608**
Charge for the year	**860**	**1,453**	**2,454**	**4,767**
Disposals	**(427)**	**(3,500)**	**—**	**(3,927)**
At 31 December 2024	**8,219**	**10,121**	**12,108**	**30,448**
Carrying amount				
At 31 December 2024	**1,251**	**4,246**	**5,380**	**10,877**
At 31 December 2023	2,106	2,973	7,252	12,331

15. Right-of-Use Assets

	Total RMB'000
At 31 December 2024	
Carrying amount	**13,422**
At 31 December 2023	
Carrying amount	16,025
For the year ended 31 December 2024	
Depreciation charge	**7,079**
For the year ended 31 December 2023	
Depreciation charge	6,590

Year ended 31 December	2024 RMB'000	2023 RMB'000
Expenses related to short-term leases	—	—
Total cash outflow for leases (Remark 1)	**8,244**	7,489
Additions to right-of-use assets (Remark 2)	**1,650**	—

Remark 1: Amount includes payments of principal and interest portion of lease liabilities, short-term leases and payments of lease payments on or before lease commencement date (including leasehold land). These amounts could be presented in operating or financing cash flows.

Remark 2: Amount includes right-of-use assets resulting from new leases entered and lease modification.

For both years, the Group leases various offices for its operations. Lease contracts are entered into for fixed term of 2 to 5 years (2023: 2 to 5 years). Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

16. Intangible Assets

	Licenses RMB'000	Others RMB'000	Total RMB'000
Cost			
At 1 January 2023	27,105	3,592	30,697
Additions	—	1,366	1,366
Written off	(354)	—	(354)
Exchange difference	—	(158)	(158)
At 31 December 2023 and 1 January 2024	26,751	4,800	31,551
Additions	32,063	1,327	33,390
Exchange difference	285	—	285
At 31 December 2024	59,099	6,127	65,226
Accumulated amortisation			
At 1 January 2023	12,500	2,227	14,727
Amortisation for the year	3,000	1,463	4,463
Written off	(354)	—	(354)
Exchange difference	—	(33)	(33)
At 31 December 2023 and 1 January 2024	15,146	3,657	18,803
Amortisation for the year	5,891	1,460	7,351
Exchange difference	28	—	28
At 31 December 2024	21,065	5,117	26,182
Carrying amount			
At 31 December 2024	38,034	1,010	39,044
At 31 December 2023	11,605	1,143	12,748

17. Subsidiaries

The amounts due from and to subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

Particulars of the principal subsidiaries of the Company as at 31 December 2024 are as follows:

Name	Place of incorporation/ registration and operations, and nature of legal entity	Issued and paid up/registered capital	Percentage of ownership interest/voting power/ profit sharing 2024 and 2023		Principal activities
			Direct	Indirect	
FT Entertainment Limited	BVI, limited liability company	USD100	100%	0%	Investment holding
Finger Tango Interactive (HK) Limited	Hong Kong, limited liability company	HK$10	0%	100%	Investment holding
Binyou Networks	The PRC, wholly owned foreign enterprise	RMB15,000,000	0%	100%	Technical support and development services
Youmin Networks	The PRC, limited liability company	RMB19,267,015	0%	100%	Internet culture operations
Shanghai Binjie Networks Technology Limited	The PRC, limited liability company	RMB10,000,000	0%	100%	Internet culture operations
Guangzhou Langxianjing Networks Technology Co., Limited	The PRC, limited liability company	RMB1,000,000	0%	100%	Internet culture operations
Shanghai Feimiao Networks Technology Co., Limited	The PRC, limited liability company	RMB10,000,000	0%	100%	Internet and software technology development and service
Shanghai Yiguo Network Technology Co., Limited	The PRC, limited liability company	RMB10,000,000	0%	100%	Internet and software technology development and service
Shanghai Langxianjing Network Technology Co., Limited	The PRC, limited liability company	RMB10,000,000	0%	100%	Internet and software technology development and service
Shanghai Kaixi Network Technology Co., Limited	The PRC, limited liability company	RMB10,000,000	0%	100%	Internet and software technology development and service

17. Subsidiaries (continued)

The English names of certain subsidiaries of the Company referred herein represent the management's best efforts in translating the Chinese name of these companies as no English names have been registered.

Pursuant to the Contractual Arrangements among Binyou Networks, Youmin Networks and its legally registered equity holders, Binyou Networks acquired effective control over the financial and operational policies of Youmin Networks and its subsidiaries and became entitled to the entire economic benefits generated by the PRC Operating Entities. Accordingly, Youmin Networks and its subsidiaries were accounted for as subsidiaries of Binyou Networks and the Reorganisation was completed.

Binyou Networks is a wholly-owned foreign enterprise established in the PRC.

18. Investments at Fair Value Through Profit or Loss

	2024 RMB'000	2023 RMB'000
Listed equity securities in Hong Kong	7,461	23,155
Unlisted wealth management products	120,847	235,501
Total investments at fair value through profit or loss	128,308	258,656
Analysed as:		
Non-current assets	120,847	115,501
Current assets	7,461	143,155
	128,308	258,656

19. Trade Receivables

Trade receivables are primarily due from Platforms and payment channels, which collect the proceeds from sales of in-game virtual items on the Group's behalf. The credit terms of trade receivables agreed with Platforms and payment channels generally range from 30 to 90 days and 0 to 30 days respectively.

	2024 RMB'000	2023 RMB'000
Trade receivables	46,892	81,997
Provision for loss allowance	(1,813)	(1,313)
Carrying amount	45,079	80,684

As at 1 January 2022, trade receivables from contracts with customers amounted to RMB67,238,000.

The following is an aged analysis of trade receivables net of allowance for credit losses presented based on the invoice dates.

	2024 RMB'000	2023 RMB'000
0 to 1 month	18,122	26,978
1 month to 3 months	25,980	45,283
3 months to 6 months	135	7,469
6 months to 1 year	842	954
	45,079	80,684

Reconciliation of loss allowance for trade receivables:

	2024 RMB'000	2023 RMB'000
At 1 January	1,313	3,407
Increase/(decrease) in loss allowance for the year	500	(2,094)
At 31 December	1,813	1,313

20. Contract Costs and Liabilities

Disclosures of revenue-related items:

At 31 December	2024 RMB'000	2023 RMB'000
Contract costs — costs to obtain contracts for game publishing	19,467	20,312

At	31 December 2024 RMB'000	31 December 2023 RMB'000	1 January 2023 RMB'000
Contract liabilities — game publishing	55,464	66,769	69,642
Contract receivables (included in trade receivables)	45,278	80,684	67,238
Transaction prices allocated to performance obligations unsatisfied at the end of the year and expected to be recognised as revenue in the year ended 31 December:			
— 2024	N/A	66,769	
— 2025	55,464	—	
	55,464	66,769	

Year ended 31 December	2024 RMB'000	2023 RMB'000
Revenue recognised in the year that was included in contract liabilities at the beginning of the year	66,769	69,642
Significant changes in contract liabilities during the year:		
— Increase due to operations in the year	472,892	539,234
— Transfer of contract liabilities to revenue	(484,197)	(542,107)

A contract liability primarily consists of the unamortised revenue from sales of virtual items for mobile games, where there is still an implied obligation to be fulfilled by the Group over time.

Costs to obtain contracts, mainly related to contract acquisition costs, which primarily consist of unamortised commissions charged by the Platforms and third party game programmers are capitalised as contract costs and amortised over the Player Relationship Period because the Group expects to recover these costs. Capitalised contract costs are amortised to profit or loss when the related revenue is recognised.

21. Prepayments and Deposits

	2024 RMB'000	2023 RMB'000
Included in non-current assets		
Prepayments for purchase of licenses	28,715	29,561
Rental deposits and others	1,723	1,723
	30,438	31,284
Provision for impairment	(18,102)	(20,834)
	12,336	10,450
Included in current assets		
Prepayments for promotion expenses	44,530	54,968
Prepayments to game developers	17,697	14,287
Prepayments to game design	19	32
Rental deposits and others	1,097	841
	63,343	70,128
Provision for impairment	(38,423)	(44,982)
	24,920	25,146

Reconciliation of provision for impairment:

	2024 RMB'000	2023 RMB'000
At 1 January	65,817	69,989
Impairment losses reversed	(9,025)	(943)
Amounts written off	(755)	(3,774)
Exchange differences	488	544
At 31 December	56,525	65,816

22. Other Receivables

	Notes	2024 RMB'000	2023 RMB'000
Input value-added tax to be deducted		3,201	3,541
Interest receivables		20,256	20,311
Loans to third parties	(i)	368,133	361,514
Receivables from game developers		5,931	5,931
Finance lease receivables	(ii)	–	3,485
Others		12,399	10,027
		409,920	404,809
Provision for expected credit losses		(387,119)	(381,165)
		22,801	23,644
Analysed as:			
Non-current assets		–	2,377
Current assets		22,801	21,267
		22,801	23,644

Notes:

(i) The balance comprises loans to third parties bearing interest ranging from 3% to 12% (2023: 3% to 12%) per annum ("p.a."). Loans to third parties of RMB92,599,000 (2023: RMB90,620,000) are guaranteed by certain shares held by the third parties. All of the loans were granted to third parties between May 2020 and March 2021. The increase of loans to third parties was solely due to the fluctuations of exchange rate.

(ii)

	Lease payments		Present value of lease payments	
	2024 RMB'000	2023 RMB'000	2024 RMB'000	2023 RMB'000
Within one year	–	1,247	–	1,108
Over one year but within five years	–	2,493	–	2,377
	–	3,740		
Less: Unearned finance income	–	(255)		
Present value of lease payments	–	3,485	–	3,485
Less: Amount within 12 months (shown under current assets)			–	(1,108)
Amount receivable after 12 months			–	2,377

22. Other Receivables (continued)

Notes: (continued)

(ii) (continued)

The Group sub-leases out certain of its building under finance leases. All leases are on a fixed repayment basis. The sub-lease arrangement has been ceased during the year under mutual agreement of both parties.

Disclosures of finance lease-related items:

Year ended 31 December	2024 RMB'000	2023 RMB'000
Interest revenue from subleasing right-of-use assets	—	—
Significant changes in net investment in the leases		
— Increase due to new leases	—	809
— Decrease due to repayments	—	(1,108)

Reconciliation of provision for expected credit losses:

	2024 RMB'000	2023 RMB'000
At 1 January	381,165	421,157
Provision for expected credit losses for the year	220	—
Reversal of provision for expected credit losses for the year	(1,291)	(44,788)
Exchange differences	7,025	4,796
At 31 December	387,119	381,165

23. Notes Receivables

	Notes	2024 RMB'000	2023 RMB'000
Principal amount		220,500	226,500
Provision for expected credit loss		(220,500)	(226,500)
		—	—

23. Notes Receivables (continued)

Reconciliation of provision for expected credit loss:

	2024 RMB'000	2023 RMB'000
At 1 January	226,550	223,425
Reversal of provision for expected credit losses for the year	(11,000)	—
Exchange differences	4,950	3,125
At 31 December	220,500	226,550

Notes receivables is secured by way of a charge on receivables owed to a third party and trade receivables owed to a company incorporated in Hong Kong with limited liability which is ultimately controlled by the shareholder of the third party. The interest rate is 7% p.a. and it was matured on 12 June 2021 ("**Extended Maturity Date**").

As disclosed in the announcement of the Company dated 22 June 2021, the issuer of the notes receivables, Orbitronic Global Development Co., Limited (the "**Issuer**"), failed to repay the principal amount of the notes receivables of HK$250,000,000 together with the accrued interests on the notes receivables to the Company on Extended Maturity Date and such sums remained outstanding as at the date of this report. As at 31 December 2024, the principal amount of notes receivables is HK$238,121,000 (equivalent to RMB220,500,000) (2023: HK$250,000,000 (equivalents to RMB226,550,000)) and full provision for expected credit loss is made as at 31 December 2024 and 2023.

Pursuant to the terms and conditions of the notes receivables, it constitutes an event of default ("**Event of Default**") if, among others, the Issuer fails to pay the principal when due or the Issuer fails to pay interest on the notes receivables when due unless non-payment of such interest is due solely to administrative or technical error and payment is made within seven business days of the due date thereof.

Accordingly, an Event of Default has occurred. The Company has issued a formal notice to the Issuer informing the occurrence of an Event of Default and preserving its rights under the notes receivables. The Company is in the course of seeking legal advice and assessing the Company's legal position on the possible course of action, including potential enforcement actions against the Issuer, in response to the occurrence of the Event of Default.

The Board will use its best endeavours and take all possible actions to seek recovery from the Issuer of the principal amount of the notes receivables and interests accrued thereon. On 16 March 2022, the Company has issued a letter of request for payment through legal counsel to the Issuer. In October 2023, the Company, the Issuer, and the sole shareholder of the Issue entered into a deed of supplemental agreement (the "**Supplemental Agreement**"). Pursuant to the Supplemental Agreement, the said sole shareholder of the Issuer further agrees to pledge the 10,000 shares of the Issuer (representing 100% of the shares of the Issuer) as the further collateral for the Notes and the Company shall be entitled to immediate appointment of a receiver (the "**Receiver**") for all or any part of the collateral under the Notes. In November 2023, the Company appointed the receiver in order to better safeguard the collateral and the Company's interest in the Issuer. In February 2024, the Issuer further created a charge over trade and other receivables in favor of the Company, which was registered under the Hong Kong Company Ordinance. The Board is confident in achieving a positive outcome in the ongoing recovery process.

23. Notes Receivables (continued)

In April and May 2024, the Group has received settlement on the principle amount of the notes receivables of RMB9 million and RMB2 million from the Issuer respectively. Thus, RMB11 million of loss allowance provision has been reversed correspondingly during the year.

24. Time Deposits and Bank and Cash Balances

As at 31 December 2024, the bank and cash balances of the Group denominated in RMB amounted to RMB352,060,000 (2023: RMB429,911,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations.

Bank balances that are placed in time accounts in accordance with the applicable government regulations amounting to RMB319,218,000 (2023: Nil). The balances carrying interest at variable interest rates ranging from 1.75% to 4.55% per annum.

Details of impairment assessment of time deposits and bank balances are set out in note 5b.

25. Trade Payables

The aging analysis of trade payables, based on recognition date of trade payables, is as follows:

	2024 RMB'000	2023 RMB'000
0 to 1 month	7,972	12,160
1 month to 3 months	16,114	23,143
3 months to 6 months	16,335	6,980
6 months to 1 year	499	1,187
Over 1 year	3,172	1,295
	44,092	44,765

26. Accruals and Other Payables

	2024 RMB'000	2023 RMB'000
Salary and staff welfare payables	24,017	32,383
Other tax payables	2,985	1,307
Promotion fee payables	13,886	24,052
Others	8,063	8,195
	48,951	65,937

27. Lease Liabilities

	2024 RMB'000	2023 RMB'000
Lease liabilities payable:		
— Within 1 year	7,120	6,416
— Within a period of more than 1 year but not exceeding 5 years	7,347	13,782
	14,467	20,198
Less: Amount due for settlement within 12 months shown under current liabilities	7,120	6,416
Amount due for settlement after 12 months shown under non-current liabilities	7,347	13,782

The weighted average incremental borrowing rate applied to lease liabilities is 4.75% (2023: 4.75%).

28. Deferred Tax

The following are the major deferred tax liabilities and assets recognised by the Group:

	Contract costs RMB'000	Contract liabilities RMB'000	Provisions and others RMB'000	Total RMB'000
At 1 January 2023	(5,980)	16,602	8,059	18,681
(Charge)/credit to profit or loss	901	(28)	(2,165)	(1,292)
At 31 December 2023 and 1 January 2024	**(5,079)**	**16,574**	**5,894**	**17,389**
(Charge)/credit to profit or loss	**211**	**(2,708)**	**(164)**	**(2,661)**
At 31 December 2024	**(4,868)**	**13,866**	**5,730**	**14,728**

The following is the analysis of the deferred tax assets (after offset) for consolidated statement of financial position purposes:

	2024 RMB'000	2023 RMB'000
Deferred tax liabilities	**(4,868)**	(5,079)
Deferred tax assets	**19,596**	22,468
Deferred tax assets (after offset)	**14,728**	17,389

At the end of the reporting period, the Group did not recognise deferred tax assets of RMB12,106,000 (2023: RMB24,006,000) in respect of losses amounting to RMB63,222,000 (2023: RMB104,586,000) that can be carried forward against future taxable income. These tax losses will expire in year 2025 to 2029 (2023: 2024 to 2028).

29. Share Capital

	Number of shares '000	Amount USD'000
Authorised:		
Ordinary shares of USD0.000005 (2023: USD0.000005) each		
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	10,000,000	50

	Number of shares '000	Amount RMB'000
Issued and fully paid:		
Ordinary shares of USD0.000005 (2023: USD0.000005) each		
At 1 January 2023, 31 December 2023 and 1 January 2024	1,931,387	62
Shares repurchased and cancelled	(13,299)	—
At 31 December 2024	1,918,088	62

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for stakeholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital (including share capital) by regularly reviewing the capital structure. As a part of this review, the Directors consider the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. In the opinion of the Directors, the Group's capital risk is low.

For the year ended 31 December 2024

30. Statement of Financial Position of The Company

	2024 RMB'000	2023 RMB'000
ASSETS		
Non-current assets		
Investments in subsidiaries	131,736	131,495
Investments at fair value through profit or loss	80,586	75,507
Total non-current assets	212,322	207,002
Current assets		
Prepayments and other receivables	4,203	66
Investments at fair value through profit or loss	7,461	23,155
Amounts due from subsidiaries	125,694	144,036
Time deposits	107,826	—
Bank and cash balances	49,631	115,550
Total current assets	294,815	282,807
TOTAL ASSETS	507,137	489,809
EQUITY AND LIABILITIES		
Equity		
Share capital	62	62
Reserves	496,021	479,264
Total equity	496,083	479,326
Liabilities		
Current liabilities		
Accruals and other payables	564	26
Amounts due to subsidiaries	10,403	10,370
Current tax liabilities	87	87
Total liabilities	11,054	10,483
TOTAL EQUITY AND LIABILITIES	507,137	489,809

31. Reserves

(a) The Group

	Share-based payments reserve RMB'000	Statutory reserve RMB'000	Foreign currency translation reserve RMB'000	Equity investments revaluation reserve RMB'000	Total RMB'000
At 1 January 2023	148,518	16,903	(344)	(8,400)	156,677
Currency translation difference	—	—	1,150	—	1,150
At 31 December 2023	148,518	16,903	806	(8,400)	157,827
At 1 January 2024	148,518	16,903	806	(8,400)	157,827
Currency translation difference	—	—	2,863	—	2,863
At 31 December 2024	148,518	16,903	3,669	(8,400)	160,690

31. Reserves (continued)

(b) The Company

	Share premium RMB'000	Shares held for RSU Scheme RMB'000	Other reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2023	712,720	(2)	129,324	(411,215)	430,827
Total comprehensive income for the year	—	—	4,901	43,536	48,437
At 31 December 2023	712,720	(2)	134,225	(367,679)	479,264
At 1 January 2024	712,720	(2)	134,225	(367,679)	479,264
Repurchase of shares	(24)	—	—	—	(24)
Total comprehensive income for the year	—	—	2,439	14,342	16,781
At 31 December 2024	712,696	(2)	136,664	(353,337)	496,021

31. Reserves (continued)

(c) Nature and purpose of reserves of the Group and the Company

(i) Share premium

Under the Companies Law of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

(ii) Share-based payments reserve

The share-based payments reserve represents the fair value of the actual or estimated number of unexercised share options and unvested RSUs granted to directors, employees and consultants of the Group recognised in accordance with the accounting policy adopted for equity-settled share-based payments in note 3 to the consolidated financial statements.

(iii) Shares held for the RSU Scheme

The Company adopted the RSU Scheme to award shares to qualified grantees. Super Fleets Limited was set up as a special vehicle for the purpose of holding the ordinary shares allotted and issued by the Company.

(iv) Statutory reserve

In accordance with the relevant laws and regulations in the PRC and the articles of association of subsidiaries located in the PRC, it is required to appropriate 10% of the annual statutory net profits after offsetting any prior years' losses as determined under the PRC accounting standards, to the statutory surplus reserve fund before distributing the net profit. When the balance of the statutory surplus reserve fund reaches 50% of the share capital, any further appropriation is at the discretion of shareholders. The statutory surplus reserve fund can be used to offset prior years' losses, if any, and may be converted into share capital by issuing new shares to shareholders in proportion to their existing shareholding or by increasing the par value of the shares currently held by them, provided that the remaining balance of the statutory surplus reserve fund after such issue is no less than 25% of share capital. As at 31 December 2017, the balance of the statutory surplus reserve fund of all profitable subsidiaries had reached 50% of the share capital. The Group did not make any further appropriation for the years ended 31 December 2024 and 2023.

(v) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies in note 3 to the consolidated financial statements.

31. Reserves (continued)

(c) Nature and purpose of reserves of the Group and the Company (continued)

(vi) Equity investments revaluation reserve

The equity investments revaluation reserve comprises the cumulative net change in the fair value of equity investments at fair value through other comprehensive income held at the end of the reporting period and is dealt with in accordance with the accounting policy in note 3 to the consolidated financial statements.

(vii) Other reserve

Other reserve of the Company includes share-based payments reserve, foreign currency translation reserve, and shareholders' contribution arising from the reorganisation to prepare for the listing on the Main Board of the Stock Exchange during the year ended 31 December 2018.

32. Share-Based Payments Transactions

On 28 February 2018, the Company's shareholders approved the establishment of the RSU Scheme and the Company appointed The Core Trust Company Limited as the trustee to assist with the administration of the RSU Scheme. Under the RSU Scheme, the maximum number of shares which may be granted is 75,000,000. No RSUs were granted to employees of the Group during the years ended 31 December 2024 and 2023.

33. Changes in Liabilities Arising from Financing Activities

The following table shows the Group's changes in liabilities arising from financing activities during the year:

	Lease liabilities	
	2024	2023
	RMB'000	RMB'000
At 1 January	**20,198**	26,566
Repayment of lease liabilities	**(7,376)**	(6,368)
Non-cash changes		
— New lease entered	**630**	—
— Lease modified	**1,015**	—
At 31 December	**14,467**	20,198

34. Capital Commitments

The Group's capital commitments at the end of the reporting period are as follows:

	2024 RMB'000	2023 RMB'000
Intangible assets — Contracted but not provided for	8,520	10,520

35. Related Party Transactions

Key management personnel compensations

The compensations paid or payable to key management personnel (including Directors, chief executive officer and other senior executives) for employee services are as follows:

	2024 RMB'000	2023 RMB'000
Wages, salaries and bonuses	7,334	8,589
Pension costs — defined contribution plans	53	50
Social security costs, housing benefits and other employee benefits	107	79
	7,494	8,718

36. Approval of the Consolidated Financial Statements

The consolidated financial statements were approved and authorised for issue by the board of directors on 28 March 2025.

Glossary

"Articles of Association"	the articles of association of the Company (as amended, supplemented or otherwise modified from time to time)
"Auditor"	OOP CPA & Co., the auditor of the Company
"Audit Committee"	the audit committee of the Company
"Board"	the board of Directors of the Company
"Binyou Networks"	Shanghai Binyou Networks Technology Limited* (上海繽遊網絡科技有限公司), a limited liability company incorporated under the laws of the PRC on 16 March 2018 and a wholly-owned subsidiary of our Company
"Cayman Islands"	the Cayman Islands
"China" or "PRC"	the People's Republic of China excluding, for the purpose of this report, Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"Chairman"	the chairman of the Board
"Chief Executive Officer"	the chief executive officer of the Company
"Company", "our Company", "we" or "us"	FingerTango Inc. (指尖悅動控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 9 January 2018
"Contractual Arrangement(s)"	the series of contractual arrangements entered into by, among others, Binyou Networks, the Registered Shareholders and Shanghai Youmin, details of which are set out in the section headed "Contractual Arrangements" in the Prospectus
"Corporate Governance Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Director(s)"	the director(s) of the Company
"Group" or "our Group"	our Company, its subsidiaries and the PRC Operating Entities
"Hong Kong dollar(s)", "HK dollar(s)" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong

"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited
"IFRS(s)"	International Financial Reporting Standards, amendments and interpretations issued by the International Accounting Standard Board
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange
"Listing Date"	The date which dealings in Shares first commence on the Stock Exchange, i.e. 12 July 2018
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Nomination Committee"	the nomination committee of the Company
"PRC Operating Entities"	the entities we control through the Contractual Arrangements
"Prospectus"	the prospectus dated 26 June 2018 issued by the Company
"Renminbi" or "RMB"	Renminbi yuan, the lawful currency of the PRC
"Registered Shareholders"	direct shareholders of Shanghai Youmin, being Mr. LIU Jie, Mr. ZHU Yanbin, Mr. WU Junjie, Zhuhai Sangu Limited Partnership* (珠海三穀投資合夥企業(有限合夥)) and Zhuhai Jugu Limited Partnership* (珠海聚穀投資合夥企業(有限合夥))
"Remuneration Committee"	the remuneration committee of the Company
"Reporting Period"	for the year ended 31 December 2024
"RSU(s)"	restricted share units or any one of them
"RUS Scheme"	The RSU scheme approved and conditionally adopted by the Shareholders on 28 February 2018, the principal terms of which are set out in "Statutory and General Information — D. RSU Scheme and Share Option Scheme — 1. RUS Scheme" in Appendix IV to the Prospectus
"SFO"	the Securities and Futures Ordinance of Hong Kong (chapter 571 of the laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

Glossary

"Shanghai Mimeng"	Shanghai Mimeng Networks Technology Limited* (上海覓蒙網絡科技有限公司), a limited liability company incorporated under the laws of the PRC on 6 July 2020 and one of our PRC Operating Entities
"Shanghai Rici"	Shanghai Rici Networks Technology Limited* (上海日次網絡科技有限公司), a limited liability company incorporated under the laws of the PRC on 6 July 2020 and one of our PRC Operating Entities
"Shanghai Youmin"	Shanghai Youmin Networks Technology Limited* (上海遊民網絡科技有限公司), a limited liability company incorporated under the laws of the PRC on 3 December 2013 and one of our PRC Operating Entities
"Share(s)"	ordinary share(s) in the share capital of our Company with a par value of US$0.000005 each
"Shareholder(s)"	holder(s) of our Share(s)
"Share Option Scheme"	the share option scheme adopted by our Company on 19 June 2018 which complies with the provisions of Chapter 17 of the Listing Rules
"SLG"	simulation games, which are generally designed to closely simulate aspects of a real or fictional reality
"US$" or "USD"	United States dollar(s), the lawful currency of the United States of America

* *for identification purpose only*