inkeverse

Inkeverse Group Limited

映宇宙集团有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3700.HK)

2024

ANNUAL REPORT

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. FENG Yousheng *(Chairman and Chief Executive Officer)*
Mr. HOU Guangling

Independent Non-Executive Directors

Mr. David CUI
Mr. CHEN Yong
Ms. ZHENG Congnan

AUDIT COMMITTEE

Mr. David CUI *(Chairman)*
Mr. CHEN Yong
Ms. ZHENG Congnan

NOMINATION COMMITTEE

Mr. FENG Yousheng *(Chairman)*
Mr. CHEN Yong
Ms. ZHENG Congnan

REMUNERATION COMMITTEE

Ms. ZHENG Congnan *(Chairlady)*
Mr. CHEN Yong
Mr. David CUI

JOINT COMPANY SECRETARIES

Mr. XIAO Liming
Ms. AU Wing Sze

AUTHORIZED REPRESENTATIVES

Mr. FENG Yousheng
Ms. AU Wing Sze

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants and Registered Public Interest Entity Auditor
22/F, Prince's Building
Central
Hong Kong

LEGAL ADVISOR

Ashurst Hong Kong
43/F Jardine House
1 Connaught Place
Central
Hong Kong

COMPANY'S WEBSITE

www.inkeverse.com

STOCK CODE

03700

HEADQUARTER IN THE PRC

11/F, Block A
Dawangjing Business Center
Cuigezhuang Village
Chaoyang District
Beijing, 100102
PRC

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

REGISTERED OFFICE IN THE CAYMAN ISLANDS

The offices of Maples Corporate Services Limited
PO Box 309
Ugland House
Grand Cayman KY1-1104
Cayman Islands

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

31/F, Tower Two, Times Square
1 Matheson Street
Causeway Bay
Hong Kong

PRINCIPAL BANKS

China Merchants Bank, Shouti Branch
China Merchants Bank, Wanda Branch

Financial Summary and Major Operating Data

Consolidated Statements of Comprehensive Income/(Loss)

	For the year ended 31 December				
	2024	2023	2022	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	**6,850,721**	6,844,788	6,319,321	9,175,595	4,949,440
Cost of sales	**(3,508,024)**	(4,011,689)	(3,772,829)	(5,870,496)	(3,752,305)
Gross profit	**3,342,697**	2,833,099	2,546,492	3,305,099	1,197,135
Selling and marketing expenses	**(2,535,615)**	(2,073,756)	(1,381,268)	(2,214,404)	(709,936)
Administrative expenses	**(263,383)**	(227,269)	(774,256)	(241,171)	(177,176)
Research and development expenses	**(202,234)**	(271,956)	(388,666)	(415,952)	(334,431)
Net impairment losses on financial assets	**(8,563)**	(13,062)	(50,248)	(8,379)	(44,420)
Operating profit/(loss)	**220,291**	424,160	(46,987)	457,010	54,730
Profit/(loss) for the year	**216,642**	400,558	(168,459)	433,009	203,204

Consolidated Balance Sheet

	As at 31 December				
	2024	2023	2022	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Total non-current assets	**1,607,414**	1,166,742	1,147,847	1,719,104	1,413,867
Total current assets	**3,964,919**	3,978,967	3,512,767	3,519,288	3,255,752
Total assets	**5,572,333**	5,145,709	4,660,614	5,238,392	4,669,619
Total non-current liabilities	**47,362**	44,706	45,858	172,648	155,834
Total current liabilities	**1,078,705**	819,160	762,314	1,134,596	970,232
Total liabilities	**1,126,067**	863,866	808,172	1,307,244	1,126,066
Net current assets	**2,886,214**	3,159,807	2,750,453	2,384,692	2,285,520
Net assets	**4,446,266**	4,281,843	3,852,442	3,931,148	3,543,553
Share capital	**12,797**	12,803	12,803	13,262	13,262
Other reserves	**3,973,595**	4,022,026	3,996,074	3,905,672	3,906,228
Accumulated profit/(deficits)	**411,616**	231,304	(155,225)	10,876	(404,505)
Non-controlling interests	**48,258**	15,710	(1,210)	1,338	28,568
Total equity	**4,446,266**	4,281,843	3,852,442	3,931,148	3,543,553

Major Operating Data

The following table sets forth the key operating data for the Group's major products:

	For the year ended 31 December		Year-on-Year
	2024	2023	**Change***
			%
Average monthly active users ("MAUs")** *(in thousands)*	**20,836**	22,808	(8.6)
Average monthly revenue per user ("ARPU")** *(in RMB)*	**27.4**	25.0	9.6

* Year-on-year change represents a comparison between the current reporting year and last year.

** Average MAUs and ARPU are based on the major products of the Group.

2024 Chairman's Statement

Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Director(s)") of Inkeverse Group Limited (the "Company" or "Inkeverse"), I am pleased to present the annual report of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2024 (the "Reporting Period").

BUSINESS REVIEW AND OUTLOOK

In 2024, the Group steadily advanced its principal businesses, consistently pursuing high-quality development. Through the integration and optimization of our live streaming and social networking businesses, the Group continuously enhanced its long-term operational and sustainable development capabilities. In addition, the Group continued to explore more diversified commercial and operational models in terms of product and business innovation, steadily expanding its overseas business, and has established a core market primarily in Southeast Asia in our overseas markets, with promising expansion momentum in other emerging markets.

In 2025, the Group will proactively adjust its strategic plan according to the evolving and changing market environment, adhere to its long-term development strategy and expand into overseas emerging markets. At the same time, the Group will continue to focus on the development layout of cutting-edge fields such as AI and Web3.0, so as to solidify the foundation of the Group's business while exploring new development opportunities, thereby creating greater value for our shareholders (the "Shareholder(s)").

BUSINESS REVIEW

Building a solid principal business foundation and healthy development ecosystem

As the Group's principal businesses, the live streaming and social networking businesses have maintained steady development over the long term. Leveraging efficient technological iterations, diverse operational gameplay and a mature commercial model, the Company has consistently sustained stable user and revenue scales. The Group has always been committed to fostering a healthy and sustainable development ecosystem. On the one hand, it has continuously introduced innovative interactive gameplay and implemented refined user management to enhance users' experience and engagement. On the other hand, the Group has adopted flexible incentive policies and diversified partnership models, to further strengthen overall users' loyalty to the platform and create a healthy and sustainable ecosystem of platform development. Besides, the Group has always stayed at the forefront of business, identifying emerging user's needs and swiftly adapting to market's changes by optimizing the combination of the product matrix. Amidst intense industry and market competition as well as a complex external environment, the Group has improved operational efficiency while continuously consolidating resources and adjusting its development strategy, laying a solid foundation for long-term sustainable development.

Accelerating stabilization of innovative business and creating diversified growth pathways

The Group has been dedicated to enriching its product portfolio and business structure through innovation across different regions, markets and niche sectors. The Group has achieved continuous upward breakthroughs and expansion capabilities by consistently promoting product innovation and development. In terms of playlets, the Group has formed stable production capacity and scale advantages by virtue of its early entry advantage and continuous integration of upstream and downstream resources. The team has refined themes selection mechanisms, enhanced the ability to produce hit-making playlets and consistently delivered high-quality works, so as to further solidify its leading position in the industry. In terms of overseas, the Group has gradually developed a product layout with Southeast Asia as the core of expansion and ongoing expansion into surrounding regions. In newly entered emerging markets, the Group's products have steadily built a strong reputation, laying the groundwork for users' growth and regional penetration. In emerging fields, the Group remains optimistic about the future development potential of Web3.0 and blockchain industries. The Group has begun strategic positioning by holding cryptocurrencies in 2024, preparing for future advancements in these emerging fields.

BUSINESS OUTLOOK

Strengthening the principal business foundation and enhancing production capacity through continuous integration

The Group will consistently monitor developments in the pan-entertainment industry with a prudent yet keen attitude, deeply identifying and analyzing industry trends and potential opportunities. The Group will concentrate its superior resources on integration and optimization of product lines related to its principal business, so as to continuously improve production capacity. Furthermore, the Group will focus on emerging business areas, striving to build a more diversified business system with greater development potential, thereby solidifying the foundation for the Group's sustainable development.

Focusing on overseas markets and unlocking global growth opportunities

The Group will continue to explore overseas markets, expand its local teams abroad and align with local cultures and regional characteristics to steadily enhance the penetration rate of overseas products. Based on the stable development of existing overseas products, the Group will actively expand into more regions with growth potential and diversify its product portfolio to promote the diversified development of overseas markets. Through localization and refinement operation of different products, the Group will explore strategies for optimizing cross-regional resource allocation, unlocking more growth opportunities under the trend of globalization.

Embracing emerging technology transformations and driving growth through innovation

The Group actively embraces emerging technology transformations. With the continuous upgrading of cutting-edge technologies such as AI and Web3.0, the content ecosystem and creation efficiency will experience exponential improvements and decentralized social scenarios will bring disruptive changes to existing social application scenarios. Breakthroughs in emerging technologies will revolutionize the industry, reshaping its ecological structure. The Group will persistently explore new ideas and methods for products and operations, leveraging innovation to enhance efficiency and drive growth.

Appreciation

I would like to thank our Shareholders for their support and trust and thank all employees for their efforts and contribution. On behalf of all members of Inkeverse, I would like to express my heartfelt thanks to all users!

FENG Yousheng
Chairman and Chief Executive Officer

Hong Kong, 28 March 2025

Management Discussion and Analysis

The following table is a summary of the Group's consolidated statement of comprehensive income with line items in absolute amounts and as percentages of the Group's total revenue for the years indicated, together with the change (expressed in percentages) from the year ended 31 December 2023 to the year ended 31 December 2024:

	For the year ended 31 December				
	2024		2023		Change
	RMB'000	%	RMB'000	%	%
Revenue	**6,850,721**	**100.0**	6,844,788	100.0	0.1
Cost of sales	**(3,508,024)**	**(51.2)**	(4,011,689)	(58.6)	(12.6)
Gross profit	**3,342,697**	**48.8**	2,833,099	41.4	18.0
Selling and marketing expenses	**(2,535,615)**	**(37.0)**	(2,073,756)	(30.3)	22.3
Administrative expenses	**(263,383)**	**(3.8)**	(227,269)	(3.3)	15.9
Research and development expenses	**(202,234)**	**(3.0)**	(271,956)	(4.0)	(25.6)
Net impairment losses on financial assets	**(8,563)**	**(0.1)**	(13,062)	(0.2)	(34.4)
Other income	**16,859**	**0.2**	38,555	0.6	(56.3)
Other (losses)/gains — net	**(129,470)**	**(1.9)**	138,549	2.0	(193.4)
Operating profit	**220,291**	**3.2**	424,160	6.2	(48.1)
Finance income	**46,034**	**0.7**	38,738	0.6	18.8
Finance costs	**(3,546)**	**(0.1)**	(3,260)	(0.0)	8.8
Finance income — net	**42,488**	**0.6**	35,478	0.5	19.8
Share of (loss)/profit of investments accounted for using the equity method	**(14,490)**	**(0.2)**	20,909	0.3	(169.3)
Profit before income tax	**248,289**	**3.6**	480,547	7.0	(48.3)
Income tax expense	**(31,647)**	**(0.5)**	(79,989)	(1.2)	(60.4)
Profit for the year	**216,642**	**3.2**	400,558	5.9	(45.9)

	For the year ended 31 December				
	2024		2023		Change
	RMB'000	%	RMB'000	%	%
Other comprehensive income/(loss)					
Items that may be reclassified to profit or loss:					
Currency translation differences	(2,889)	(0.0)	(4,569)	(0.1)	(36.8)
Items that will not be reclassified to profit or loss:					
Currency translation differences	13,535	0.2	15,876	0.2	(14.7)
Other comprehensive income for the year, net of tax	10,646	0.2	11,307	0.2	(5.8)
Total comprehensive income for the year, net of tax	227,288	3.3	411,865	6.0	(44.8)
Profit attributable to:					
— The owners of the Company	180,312	2.6	386,529	5.6	(53.4)
— Non-controlling interests	36,330	0.5	14,029	0.2	159.0
Profit for the year	216,642	3.2	400,558	5.9	(45.9)
Total comprehensive income attributable to:					
— The owners of the Company	190,958	2.8	397,836	5.8	(52.0)
— Non-controlling interests	36,330	0.5	14,029	0.2	159.0
	227,288	3.3	411,865	6.0	(44.8)
Earnings per share attributable to the shareholders of the Company (expressed in RMB per share):					
— Basic earnings per share	0.10		0.21		
— Diluted earnings per share	0.10		0.21		

Revenue

The Group's revenue for the Reporting Period amounted to approximately RMB6,850.7 million, representing an increase of 0.1% from approximately RMB6,844.8 million in 2023, which remained stable as compared to the revenue of the corresponding period in 2023.

Cost of Sales

The Group's cost of sales decreased by 12.6% to approximately RMB3,508.0 million for the Reporting Period from approximately RMB4,011.7 million in 2023, mainly attributable to the adjustment of the Group's business composition and the change of business model.

Gross Profit and Gross Profit Margin

As a result of the foregoing, the Group's gross profit increased by 18.0% from approximately RMB2,833.1 million in 2023 to approximately RMB3,342.7 million for the Reporting Period, and the Group's gross profit margin increased from 41.4% in 2023 to 48.8% for the Reporting Period.

Selling and Marketing Expenses

The Group's selling and marketing expenses increased by 22.3% from approximately RMB2,073.8 million in 2023 to approximately RMB2,535.6 million for the Reporting Period. The Group's selling and marketing expenses as a percentage of the Group's revenue increased from 30.3% in 2023 to 37.0% for the Reporting Period, primarily because the Group increased the marketing and advertising efforts, resulting in an increase in selling and marketing expenses.

Administrative Expenses

The Group's administrative expenses increased by 15.9% from approximately RMB227.3 million in 2023 to approximately RMB263.4 million for the Reporting Period, primarily due to Group's optimisation of staff and adjustment to the structure.

Research and Development Expenses

The Group's research and development expenses decreased by 25.6% from approximately RMB272.0 million in 2023 to approximately RMB202.2 million for the Reporting Period. The decrease was mainly due to the Group's continuous adjustment to its operational strategy for the optimisation of its staff structure, thus led to a decrease in staff costs.

Net Impairment Losses on Financial Assets

Impairment losses on financial assets of the Group decreased from approximately RMB13.1 million in 2023 to approximately RMB8.6 million for the Reporting Period, mainly due to the decrease in the expected credit impairment losses on other receivables and trade receivables.

Other Income

The Group's other income decreased by 56.3% from approximately RMB38.6 million in 2023 to approximately RMB16.9 million for the Reporting Period, primarily because business incentives received from the government were reduced.

Other (Losses)/Gains — Net

The Group's other (losses)/gains — net switched from a net gain of approximately RMB138.5 million in 2023 to a net loss of approximately RMB129.5 million for the Reporting Period. The change was mainly due to the continuous assessment by the Board on the Group's investment business, including the assessment of value of the investment business in equity interests and others, as well as investment properties, which resulted in recorded losses for the Group.

Operating Profit

As a result of the foregoing, the Group's operating profit decreased by 48.1% from an operating profit of approximately RMB424.2 million in 2023 to an operating profit of approximately RMB220.3 million for the Reporting Period.

Finance Income — Net

The Group's net finance income increased by 19.8% from approximately RMB35.5 million in 2023 to approximately RMB42.5 million for the Reporting Period, primarily due to an increase in the bank interest income during the Reporting Period.

Share of (Loss)/Profit of Investments Accounted for Using the Equity Method

The Group's share of loss of investments accounted for using the equity method was approximately RMB14.5 million for the Reporting Period, and the share of profit of investments accounted for using the equity method was approximately RMB20.9 million in 2023. This was mainly due to the increase in the investment loss recognised during the Reporting Period by the associates and joint ventures invested by the Group.

Income Tax Expense

During the Reporting Period, the Group's income tax expense was approximately RMB31.6 million, representing a decrease of 60.4% as compared to the income tax expense of the corresponding period in 2023. The decrease in income tax expense was primarily due to the year-on-year decrease in the net operating profit.

Profit for the Year

As a result of the foregoing, the Group recorded a profit for the year of approximately RMB216.6 million for the Reporting Period, representing a decrease of 45.9% from a profit for the year of approximately RMB400.6 million in 2023.

Non-IFRS Accounting Standards Measure — Adjusted Net Profit

To supplement the Group's consolidated annual financial statements which are presented in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), the Group also uses adjusted net profit as an additional financial measure. The Group's adjusted net profit eliminates the effect of non-cash share-based compensation expenses. The table below sets forth the reconciliation of adjusted net profit for the years indicated:

	For the year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Profit for the year	**216,642**	400,558
Add: non-cash share-based compensation expenses(1)	**17,751**	25,416
Adjusted net profit(2)	**234,393**	425,974

Notes:

(1) Refers to share-based compensation benefits provided to certain employees pursuant to the employee share scheme.

(2) To supplement our consolidated annual financial statements which are presented in accordance with IFRS Accounting Standards, we also use adjusted net profit as an additional financial measure. We present this financial measure because it is used by our management to evaluate our operating performance. We also believe that this non-IFRS Accounting Standards measure provides useful information to investors and others in understanding and evaluating our results of operations in the same manner as our management and in comparing financial results across accounting periods and to those of our peer companies. Adjusted net profit is calculated using profit for the year and adding back non-cash share-based compensation expenses. The term of adjusted net profit is not defined under IFRS Accounting Standards. The use of adjusted net profit has material limitations as an analytical tool, as it does not include all items that impact our net profit for the year.

Liquidity and Capital Resources

For the Reporting Period, the Group financed its operations primarily through cash generated from the Group's operating activities. The Group intends to finance its expansion and business operations with internal resources and through sustainable growth. As at 31 December 2024, the current ratio (the current assets to current liabilities ratio) of the Group was 3.7 and the gearing ratio (the total liabilities to total equity ratio) was 0.3, as compared to 4.9 and 0.2, respectively, as at 31 December 2023.

Cash and Cash Equivalents and Restricted Cash

As at 31 December 2024, the Group had cash and cash equivalents of approximately RMB2,195.7 million (31 December 2023: approximately RMB2,362.3 million), which primarily consisted of cash and cash equivalents held at banks and at third party payment platforms. Out of approximately RMB2,195.7 million includes, approximately RMB1,525.0 million denominated in Renminbi, and approximately RMB670.7 million denominated in other currencies (primarily United States dollars ("US Dollars" or "US$")). The Group independently adjusts its foreign currency holdings to ensure the smooth development of overseas business.

As of 31 December 2024, the restricted cash balance of the Group was approximately RMB319.6 million (31 December 2023: approximately RMB58.4 million). Within the total restricted cash balance, approximately RMB28.4 million (31 December 2023: approximately RMB34.5 million) were cash frozen by the local regulatory authorities in connection with the relevant investigation related to the case as disclosed in the section headed "Management Discussion and Analysis – Contingent Liabilities and Guarantees" in this annual report.

Financial Assets at Fair Value through Profit or Loss

As at 31 December 2024, the Group had current and non-current financial assets at fair value through profit or loss of approximately RMB759.4 million (31 December 2023: approximately RMB924.1 million), mainly comprised (a) investment products of approximately RMB564.8 million in aggregate (31 December 2023: approximately RMB725.5 million); and (b) investments in financial instruments with preferred rights of approximately RMB194.5 million (31 December 2023: approximately RMB198.6 million).

	Balance as at 31 December 2024 RMB'000	Balance as at 31 December 2023 RMB'000
Financial Assets		
Current		
Investment products[(1)]		
— Listed Equity	**302,439**	130,663
— Funds	**147,410**	543,227
— Others	**115,000**	51,612
Subtotal	**564,849**	725,502
Non-current		
Unlisted preference shares	**194,520**	198,643
Subtotal	**194,520**	198,643
Total	**759,369**	924,145

Note:

(1) For the Reporting Period, no single investment product of the Group accounted for more than 5.0% of the total assets of the Group.

Subscriptions of wealth management products were made for treasury management purposes to maximise the return on the unutilised funds of the Company after taking into account, among others, the level of risk, return on investment, liquidity and the term to maturity. Generally, the Company had in the past selected short-term financial products issued by reputable commercial banks and other financial institutions that had relatively low associated risk. Prior to making an investment, the Company had also ensured that it would remain sufficient working capital for the Group's business needs, operating activities and capital expenditures even after making the investments in such financial products. The associated risk of these financial products were considered acceptable by the Group and are also in line with the internal risk management, cash management and investment policies of the Group. In accordance with the relevant accounting standards, these financial products were accounted for as financial assets at fair value through profit or loss.

In view of an upside of earning a more attractive return than current saving or fixed deposit rate under the low interest rate trend, as well as the manageable risk level and the flexible redemption terms or a relatively short term of maturity of the wealth management products, the Directors are of the view that the risk exposure of these financial products to the Group is controllable, and the terms and conditions of each of the subscriptions are fair and reasonable and are in the interests of the Company and its Shareholders as a whole. The Company believes that the above investment strategies and directions would continue to generate stable income to the Group.

Capital Expenditures

For the Reporting Period, the Group's capital expenditures amounted to approximately RMB328.7 million (31 December 2023: approximately RMB84.6 million), which were mainly used for the acquisition of property, equipment, leasehold improvements, investment properties and intangible assets. The Group funded its capital expenditures by using the cash flow generated from its operations.

Contingent Liabilities and Guarantees

In connection with the investigation initiated by the local regulatory authorities, the Group's certain bank balances of approximately RMB28.4 million were restricted as of 31 December 2024.

The management of the Company, taking into consideration of all available information and opinions received from its legal counsel, is of the view that the Group's business operations are in compliance with applicable rules and regulations in the People's Republic of China (the "PRC"). As of the date of this annual report, the Group has not received any subpoena to represent as a defendant in a lawsuit related to the aforesaid investigation. Therefore, the Group considered opinions received from its legal counsel and determined it is more likely that no present obligation exists as a result of such investigation. As at the date of this annual report, as the investigations are still ongoing and related details not being accessible by the Group, it is not practicable to assess or estimate the possible financial impact, therefore the Group has not made any provision in this matter.

Pledge of Assets

As of 31 December 2024, the Group did not have any pledge or charge on assets.

Foreign Exchange Risk Management

Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the Group entities' functional currency. The functional currency of the Company is US Dollars, and the functional currency of subsidiaries operated in the mainland China is Renminbi. The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures and tries to minimise these exposures through natural hedges, wherever possible, and may enter into forward foreign exchange contracts, when necessary.

Employees and Remuneration Policies

As at 31 December 2024, the Group had a total of 1,416 full-time employees, mainly located in the PRC. In particular, 418 full-time employees are responsible for technology, research and development.

Remuneration of the Group's employees includes basic salaries, allowances, bonus, share-based payment and other employee benefits, and is determined with reference to their experience, qualification and general market conditions. The emolument policy for the employees of the Group is set up by the Board on the basis of their merit, qualification and competence. The Group believes that we maintain a good working relationship with our employees, and we have not experienced any material labour disputes during the Reporting Period.

In order to expand the Company's talent team, strengthen the capability of talents in different levels and provide intellectual support to the sustainable development of the Company, the Company has developed an efficient and systematic talent training and development plan. The Group believes that a systematic training program will help our employees acquire the necessary professional skills and effectively improve their professional ethics. Major training programs revolve around the targeted training of the recruited graduates, new employees, junior management, mid-level management and senior management.

Contractual Arrangements

Please refer to the section headed "Contractual Arrangements" in the prospectus of the Company dated 28 June 2018 (the "Prospectus"). For the Reporting Period, the Board has reviewed the overall performance of the contractual arrangements and confirmed that the Group has complied with the contractual arrangements in all material respects.

On 15 March 2019, the National People's Congress approved the Foreign Investment Law, which came into effect on 1 January 2020 and replaced the trio of existing laws regulating foreign investment in the PRC, namely, the Sino-foreign Equity Joint Venture Enterprise Law, the Sino-foreign Cooperative Joint Venture Enterprise Law and the Wholly Foreign-invested Enterprise Law, together with their implementation rules and ancillary regulations. The Foreign Investment Law has unified the corporate legal requirements for both foreign and domestic investments by way of having a negative list (the "Negative List").

The Negative List, which has been issued by the State Council of the PRC and updated on 1 November 2024, refers to special administrative measures for access to foreign investment in specific fields in the PRC. A foreign investor shall not invest in any field prohibited from foreign investment under the Negative List. A foreign investor shall meet the investment conditions stipulated under the Negative List for any restricted fields under the Negative List.

A foreign investor who invests in a foreign-invested value-added telecommunications enterprise operating value-added telecommunications businesses in the PRC must demonstrate a good track record and experience in operating value-added telecommunications businesses (the "Qualification Requirement"). Moreover, foreign investors that meet these requirements must obtain approvals from the Ministry of Industry and Information Technology of the PRC and the Ministry of Commerce of the PRC, or their authorised local counterparts, which retain considerable discretion in granting approvals, for the commencement of that investor's value-added telecommunications businesses in the PRC.

Please refer to the section headed "Contractual Arrangements" in the Prospectus for the Group's efforts and actions undertaken to comply with the Qualification Requirement.

Further details of the contractual arrangements, please refer to the section headed "Report of Directors – Continuing Connected Transactions" in this annual report.

Dividends

A final dividend in respect of the year ended 31 December 2023 of HKD0.0412 per share was proposed pursuant to a resolution passed by the Board on 26 March 2024 and was approved by the Shareholders at the 2023 annual general meeting of the Company (the “AGM(s)”) held on 13 June 2024. Such final dividend for the year ended 31 December 2023 amounted to approximately HKD79,858,000 (equivalent to approximately RMB72,885,000) in aggregate were paid on 16 July 2024.

The Board resolved not to declare any payment of final dividend for the year ended 31 December 2024.

Major Investments and Future Plans for Capital Assets

As disclosed in the announcement of the Company dated 26 March 2024, the Board has approved a budget of US$100 million for the Group’s purchase of cryptocurrencies. The Company will comply with the relevant disclosure and/or approval requirements under the Rules (the “Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Save as disclosed above, as of the date of this annual report, the Group did not have any major investment and capital assets plans.

Biographies of the Directors and Senior Management

Directors

Executive Directors

Mr. FENG Yousheng (奉佑生) ("Mr. FENG"), aged 47, is a founder of the Group, the chairman and the chief executive officer of the Company and an executive Director and was further appointed as the authorized representative of the Company on 11 December 2019. Mr. FENG is primarily responsible for formulating and implementing the overall development strategies and business plans of the Group and overseeing the overall development and operations of the Group. Mr. FENG was appointed as a Director on 24 November 2017 and currently holds the position of director or other managing positions in several subsidiaries of the Company and Beijing Meelive Network Technology Co., Ltd. ("Beijing Meelive"). Specifically, he is the chief executive officer, director and chairman of Beijing Meelive, an executive director of Hunan Inke Entertainment Network Information Co., Ltd. (湖南映客互娛網絡信息有限公司), and an executive director of Guangdong Inke Entertainment Network Information Co., Ltd. (廣東映客互娛網絡信息有限公司) ("Guangdong Inke"). Mr. FENG was appointed as a director of Jimu and its several subsidiaries of the Company since August 2019. Prior to joining the Group, Mr. FENG served in several senior management and supervisory positions in different companies. Mr. FENG started his career as a clerk of Yongzhou Jindong Forest Shaibeitan Township (永州金洞林場曬北灘瑤族鄉政府) from January 1998 to July 2001. He then started his career in the internet industry, serving as an engineer in Guangdong Dadicom Chain Services Limited (廣東大地通訊連鎖服務有限公司) from August 2001 to June 2004. Afterwards, he served as the chief inspector of Shenzhen Huadong Feitian Network Development Co., Ltd. (深圳市華動飛天網絡技術開發有限公司) from July 2004 to December 2010. From December 2010 to March 2015, he also served as the senior vice president of Beijing Duomi Online Technology Co., Ltd. (北京多米在線科技股份有限公司) (previously known as Beijing Caiyun Online Technologies Co., Ltd. (北京彩雲在線技術開發有限公司)) ("Duomi Online"). Mr. FENG has over 23 years of experience in the internet technology industry. Mr. FENG graduated from Hunan Chemical Engineering School (湖南省化學工業學校) chemical technology major in June 1997, and by taking online courses, he graduated from China University of Geosciences (中國地質大學) in July 2017 with a junior college degree in computer application technology. In June 2018, Mr. FENG graduated from Beijing Jiaotong University (北京交通大學) with an undergraduate degree in engineering management through self-taught higher education examinations.

Mr. HOU Guangling (侯廣凌) ("Mr. HOU"), aged 40, is a founder of the Group and an executive Director and the chief technology officer of the Company. Mr. HOU is primarily responsible for overseeing and managing the overall technology development of the Group. He was appointed as a Director on 9 March 2018, and he currently also holds other positions in certain subsidiaries of the Company. In particular, he is a co-founder and an executive director of Beijing Meelive and a non-executive director of Beijing Qingliu Dingdian Technology Limited (北京清流鼎點科技有限公司) since December 2016. Prior to joining the Group, Mr. HOU worked at Duomi Online as the director for research and development from July 2010 to February 2013. He then served as the director for research and development of Beijing Huanwu Yuedong Internet Technology Co., Ltd. (北京歡舞悅動網絡科技有限公司) from March 2013 to August 2015. Mr. HOU has over 15 years of experience in the internet technology industry. Mr. HOU earned a bachelor of engineering degree in electronic and information engineering from North University of China (中北大學) in July 2006. In addition, Mr. HOU earned a master of engineering degree in embedded systems engineering from Peking University (北京大學) in July 2010.

Independent Non-executive Directors

Mr. David CUI (崔大偉) ("Mr. CUI"), aged 56, was appointed as an independent non-executive Director on 23 June 2018, responsible for supervising and providing independent advice and judgment to the Board. Mr. CUI has extensive experience in public accounting and financial management. Mr. CUI has been an independent non-executive director of Qudian Inc. (NYSE: QD) since September 2020 and Yalla Group Ltd. (NYSE: YALA) since May 2024. Both companies are listed on the New York Stock Exchange. From October 2020 to May 2023, Mr. CUI was the chief financial officer of Vipshop Holdings Limited, a company listed on the New York Stock Exchange (NYSE: VIPS). From August 2017 to September 2020, Mr. CUI was the chief financial officer of Huami Corporation, a company listed on the New York Stock Exchange (NYSE: ZEPP). From August 2015 to April 2017, Mr. CUI was the chief financial officer of China Digital Video Holdings Limited (中國數字視頻控股有限公司, a company listed on GEM of the Stock Exchange with stock code 8280). During the period from January 1996 to August 2013, Mr. CUI worked in various roles, including the chief financial officer in iKang Healthcare Group, Inc., a company listed on the NASDAQ (NASDAQ: KANG); an audit senior manager of Deloitte Touche Tohmatsu, Shanghai; the financial reporting manager of Symantec Corporation, California; an audit manager of Ernst & Young LLP, California; a senior auditor in the audit and advisory services practice of Health Net, Inc., California, a company listed on the New York Stock Exchange (NYSE: HNT); and worked at various public accounting firms in Canada and the United States. Mr. CUI obtained his bachelor's degree in business administration from Simon Fraser University, Canada in September 1997. He became a licensed Certified Public Accountant in the United States in July 2005 and retired from the profession in October 2024.

Mr. CHEN Yong (陳勇) ("Mr. CHEN"), aged 41, was appointed as an independent non-executive Director on 26 March 2024. He has over 16 years of experience in corporate management. Mr. CHEN served as the executive deputy general manager of Guangzhou Yaowan Entertainment Network Technology Co., Ltd. (廣州要玩娛樂網絡技術股份有限公司) from 2009 to 2023; from 2023 to 2024, he served as the general manager of Guangzhou Tianhui Capital Management Co., Ltd. (廣州天匯資本管理有限公司) and was mainly responsible for the organization and planning of the company, guiding the establishment and improvement of various management systems of the company, and organizing important meetings of the company. Mr. CHEN graduated from Hunan Business College (湖南商學院) in 2005, with an associate degree majoring in applied electronic technology. He later studied undergraduate courses in business administration at Huazhong University of Science and Technology (華中科技大學) from 2013 to 2016.

Ms. ZHENG Congnan (鄭叢楠) ("Ms. ZHENG"), aged 33, was appointed as an independent non-executive Director on 29 November 2024. She has 11 years of experience in leading technology teams in Silicon Valley. Since 2013, she has served as the head of the technical team at renowned technology education companies such as IXL Learning and Coursera, leading the research and development of numerous innovative products. From 2021 to 2024, she joined Robinhood, which is a leading commission-free stock trading platform in the United States, directing multiple technology teams to support the core business development of the platform, driving technological innovation and enhancing user experience. Ms. ZHENG possesses extensive experience in technology management and excels in building efficient teams and driving product innovation. Ms. ZHENG graduated from Rose-Hulman Institute of Technology with double degrees in computer science and software engineering in June 2013.

Senior Management

Mr. XIAO Liming (肖力銘) ("Mr. XIAO"), aged 38, joined the Company in December 2016. Mr. XIAO is currently a joint company secretary and a vice president of finance of the Company. Prior to joining the Group, Mr. XIAO served as a manager of BOC International Securities Co., Ltd. (中銀國際證券股份有限公司) from August 2010 to April 2014. From May 2014 to July 2015, he also served as a senior manager of China Renaissance Pan-Asia Investment Consulting (Beijing) Limited (華興泛亞投資顧問(北京)有限公司). Mr. XIAO then worked at Chengdu Long Mobile Technology Limited (Dragonest Games) (成都龍淵網絡科技有限公司) as a vice president from August 2015 to November 2016. Mr. XIAO graduated from the University of Warwick in November 2009 with a master's degree of Science in Finance.

Mr. GAO Feng (高峰) ("Mr. GAO"), aged 41, was appointed to be in charge of the personnel and administration of the Company on 30 March 2021. Mr. GAO is currently a vice president of personnel and administration of the Company. Prior to joining the Group, Mr. GAO was successively a director of human resources department and a director of post-investment management center of Legend Holdings Corporation (聯想控股股份有限公司, a company listed on the Main Board of the Stock Exchange under stock code 3396) from February 2017 to April 2019. From April 2015 to February 2017, he served as a deputy general manager of operation management department of ZZ Capital (中植資本管理有限公司). Prior to that, Mr. GAO was a senior partner of Beijing Alliance PKU Management Consultants Ltd. (北大縱橫管理諮詢集團) from July 2010 to April 2015. From August 2008 to July 2010, Mr. GAO was a senior consultant in Hill Management Consultants Ltd. (廈門希爾管理諮詢公司). From July 2007 to August 2008, he worked at Lenovo Group Limited (聯想集團有限公司, a company listed on the Main Board of the Stock Exchange under stock code 992) as a software engineer. Mr. GAO graduated from Xiamen University (廈門大學) in July 2007 with a bachelor's degree in Physics. He then received a master of business administration degree from Tsinghua University (清華大學) in June 2016.

Joint Company Secretaries

Mr. XIAO Liming (肖力銘), aged 38, was appointed as one of the joint company secretaries of the Company on 11 March 2018 and with effect upon the listing of the Company. Please see above for a description of Mr. XIAO's experiences.

Ms. AU Wing Sze (區詠詩) ("Ms. AU"), is another joint company secretary and authorized representative of the Company and was appointed on 30 August 2024. Ms. AU is a manager of the listing services department of TMF Hong Kong Limited and is responsible for provision of corporate secretarial and compliance services to listed companies. She has over 11 years of experience in the corporate secretarial field. Ms. AU is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

Report of Directors

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

The Group is principally engaged in the operations of mobile live streaming platforms in the PRC and are considered to be engaged in the provision of value-added telecommunications services, internet cultural services, online audio and video program services and talent agency services.

BUSINESS REVIEW

Overview and Performance of the Year

A review of the business of the Group during the year, a discussion and analysis on the Group's future business development and the financial and operational key performance indicators in measuring the performance of the Group's business are set out in the sections headed "2024 Chairman's Statement" and "Management Discussion and Analysis" on pages 6 to 15 in this annual report.

Environmental Policies and Performance

The Group is not subject to any significant health, safety or environmental risks. The Group does not operate any production facilities or transportation, as it engages third parties to transport its solution products. The Group has taken measures to promote environmental friendliness of the workplace by encouraging paper recycling culture, water conservation measures and energy-saving culture within the Group to reduce the impact of operations on the environment and natural resources.

To the best knowledge of the Group, during the year ended 31 December 2024, the Group has complied with the relevant environmental and occupational health and safety laws and regulations, and it did not have any incidents or complaints which had a material and adverse effect on its business, financial condition or results of operations during the Reporting Period.

Compliance with Relevant Laws and Regulations

As far as the Board is aware, the Group has complied in all material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the year under review, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

Key Relationship with Stakeholders

The Group's stakeholders include employees, customers, suppliers and Shareholders. The Group strives to achieve corporate sustainability through engaging, collaborating, and cultivating strong relationship with them.

Effective talent management is the foundation for the Group's successful long-term development. The Group greatly values its employees and will continue to attract, cultivate and retain talent through its internal training programs. The Group offers its employees salaries and benefits that are competitive in the geographic location where the Group conducts business to manage employee attrition.

The Company's major suppliers include streamers, streamer agents and online marketing service providers. The Company does not rely on any particular streamer or streamer agent as the Company motivates each of its users to perform as a streamer in order to establish a large and robust streamer base. Our other suppliers primarily include payment channels and service providers for digital marketing, server hosting and bandwidth leasing. On average, we have two years of business dealings with our major suppliers. In 2024, the purchases from our largest supplier accounted for approximately 6.4% of the total purchase, and purchases from our five largest suppliers combined accounted for approximately 11.4% of the total purchase. All our five largest suppliers are independent third parties during the Reporting Period. None of the Directors or any of their close associates, or any Shareholder (which to the knowledge of the Directors own approximately 5% or more of the Company's issued share capital) had any beneficial interest in the Group's five largest suppliers.

The Company's main customers are the users, who buy virtual items and other services we offer and interact with other users. Revenues generated from the Company's largest customer and top five customers for value-added services business accounted for approximately 0.06% and 0.24%, respectively of our total revenue for 2024. Other services provided by the Company include entertainment content services, membership services and advertising services. For the entertainment content services, the customers are users who purchase virtual currency to unlock episodes or purchase membership privileges to watch playlets on our platforms. For the membership services, the customers are users who purchase membership services on our platforms. For the online advertising business, the customers are the advertisers who purchase display advertisements on our platforms or cooperate with our platforms to organise promotional campaigns. The revenue generated from the members and advertisement business was insignificant as compared to our total revenue, and the number of membership and advertiser customers was insignificant as compared to the total number of our customers. None of the Directors or any of their close associates, or any Shareholder (which to the knowledge of the Directors own approximately 5% or more of the Company's issued share capital) had any beneficial interest in the Group's five largest customers.

The principal goal of the Group is to maximize the return to the Shareholders. The Group will focus on its core business for achieving sustainable growth.

During the year under review, there was no material and significant dispute between the Group and its suppliers, customers and/or other stakeholders.

Licenses, Regulatory Approvals and Compliance Record

The Group had complied with all relevant PRC laws and regulations in all material respects and has obtained all material licenses, approvals and permits from relevant regulatory authorities for its operations in China, and there is no substantial legal impediment in renewing any existing licenses, approvals and permits where necessary.

Principal Risks and Uncertainties

Principal risks and uncertainties the Group faces include:

- having a limited operating history in the new and dynamic industry, which makes it difficult to evaluate the Group's business and future prospects;
- uncertainty as to the Group's ability to acquire new users and retain existing users in cost efficient manners;
- uncertainty as to user misconduct and misuse of the Group's platforms;
- uncertainty as to negative publicity involving the Group, its users, contents on its platforms, its management, its social networking platforms or its business model;
- operating in a highly competitive market;

- uncertainty as to the Group's relatively new business model;
- uncertainty as to the successfulness of the Group's monetization strategies;
- uncertainty related to the regulation and censorship of information disseminated over the internet in China; and
- uncertainty related to the regulation of the live streaming industry and internet industry in China.

Financial Statements

The results of the Group for the Reporting Period and the state of the Company's and the Group's financial affairs as of that date are set out in the consolidated financial statements and the related notes thereto on pages 79 to 172 of this annual report.

Final Dividend

The Board does not recommend any payment of final dividend for the year ended 31 December 2024 (2023: HKD0.0412 per share).

Dividend Policy

The Company has adopted a dividend policy which is in accordance with the relevant provisions of the Company's articles of association (the "Articles of Association"). Pursuant to the dividend policy, the Company may from time to time in general meeting declare dividends in any currency to be paid to the Shareholders but no dividend shall be declared in excess of the amount recommended by the Board. No dividend shall be declared or payable except out of the profits and reserves of the Company lawfully available for distribution, including share premium. No dividend shall carry interest against the Company.

The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for meeting claims on or liabilities of the Company or contingencies or for paying off any loan capital or for equalising dividends or for any other purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments as the Board may from time to time think fit, and so that it shall not be necessary to keep any reserves separate or distinct from any other investments of the Company. The Board may also, without placing the same to reserve, carry forward any profits which it may think prudent not to distribute by way of dividend.

The Board may also, without convening a general meeting, from time to time declare interim dividends as appear to the Board to be justified by the financial conditions and the profits of the Company. The Board may also pay half-yearly or at other suitable intervals to be selected by it any dividend which may be payable at a fixed rate if the Board is of the opinion that the financial conditions and the profits available for distribution justify the payment. The Board may in addition from time to time declare and pay special dividends of such amounts and on such dates and out of such distributable funds of the Company as it thinks fit. Any dividend unclaimed shall be forfeited and shall be returned to the Company in accordance with the Articles of Association and all applicable laws and regulations.

The Board will review this policy from time to time and may adopt changes as appropriate at the relevant time. During the Reporting Period, the Board has reviewed the dividend policy of the Company and considers it effective.

Reserves

Changes to the reserves of the Group and the Company during the Reporting Period are set out in the consolidated statement of changes in equity, Note 27 and Note 40 to the consolidated financial statements of this annual report, respectively.

Property, Plant and Equipment

Changes to the property, plant and equipment of the Group during the year are set out in Note 15 to the consolidated financial statements of this annual report.

Share Capital

Details of the movements in share capital of the Company during the year are set out in Note 26 to the consolidated financial statements of this annual report.

Subsidiaries

Particulars of the Company's subsidiaries as of 31 December 2024 are set out in Note 12 to the consolidated financial statements of this annual report.

Donations

Donations made by the Group during the Reporting Period amounted to RMB0.05 million.

Financial Summary

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 4 of this annual report.

Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the Reporting Period. As of 31 December 2024, the Company did not hold any treasury shares.

SHARE SCHEMES

Share Option Scheme

On 23 June 2018, a share option scheme of the Company (the "Share Option Scheme") was approved and adopted by the Shareholders. The purpose of the Share Option Scheme is to incentivise and reward the employees (whether full time or part-time) or directors of members of the Group or associated companies of the Company (the "Eligible Person(s)") for their contribution to the Group and to align their interests with that of the Company so as to encourage them to work towards enhancing the value of the Company. Pursuant to the Share Option Scheme, the Board (including any committee or delegate of the Board appointed by the Board to perform any of its functions pursuant to the rules of the Share Option Scheme) may, at its absolute discretion, offer to grant share options (the "Share Option(s)") to subscribe for such number of shares of the Company (the "Share(s)") as the Board may determine to an Eligible Person.

No options shall be granted to any Eligible Person under the Share Option Scheme and any other schemes of the Company which, if exercised, would result in such Eligible Person becoming entitled to subscribe for such number of Shares as, when aggregated with the total number of Shares already issued or to be issued to him/her under all options granted to him/her (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of offer of such options, exceeds 1% of the total number of Shares in issue at such date.

An amount of HK$1.00 is payable upon acceptance of the grant of an option, and such payment shall not be refundable and shall not be deemed to be a part payment of the exercise price.

Subject to any adjustment made as described in the rules of the Share Option Scheme, the exercise price shall be such price as determined by the Board and notified to an option-holder and which shall not be less than the higher of:

(i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of offer of the option;

(ii) the average of the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of offer of the option; and

(iii) the nominal value of the Shares.

An option shall be subject to such terms and conditions (if any) as may be determined by the Board and specified in the offer of the option, including any vesting schedule and/or conditions, any minimum period for which any option must be held before it can be exercised and/or any performance target which need to be achieved by an option-holder before the option can be exercised.

The following table discloses the movements in the Share Options granted pursuant to the Share Option Scheme during the Reporting Period:

Grantees/Capacity	Date of grant	Number of Share Options: As at 1 January 2024	Granted during the Reporting Period	Cancelled/ lapsed during the Reporting Period	Exercised during the Reporting Period	As at 31 December 2024	Price of the Shares before the date of grant (HK$ per Share)	Exercise price (HK$ per Share)	Vesting period	Exercise period
Directors										
Mr. FENG	2021.06.29	30,000,000	–	–	–	30,000,000	2.19	3.9	2021.06.29– 2025.05.28[1]	2021.06.29– 2028.07.11
Mr. HOU	2021.06.29	20,000,000	–	–	–	20,000,000	2.19	3.9	2021.06.29– 2025.05.28[1]	2021.06.29– 2028.07.11
Other employees	2021.05.28	10,000,000	–	–	–	10,000,000	2.40	3.9	2021.05.28– 2025.05.28[1]	2021.05.28– 2028.07.11

Note:

(1) The vesting schedule of such Share Options is as follows:

Vesting Date	Accumulated percentage of Share Options vested
2022.05.28	25%
2023.05.28	50%
2024.05.28	75%
2025.05.28	100%

The fair value of the options granted is determined separately using a binomial option pricing model as set out in Note 28 to the consolidated financial statements of this annual report. As at the beginning and the end of the Reporting Period and the date of this annual report, the total number of Shares available for issue under the Share Option Scheme was 201,556,400 Shares, representing approximately 10.40% of the Company's issued share capital as at the date of this annual report. The remaining life of the Share Option Scheme is around 3 years and 3 months.

The 2018 RSU Scheme

On 23 June 2018, a restricted share unit scheme of the Company (the "2018 RSU Scheme") was approved and adopted by the Board. The purpose of the 2018 RSU Scheme is to incentivise Directors, senior management and employees of the Company for their contribution to the Group, to attract, motivate and retain skilled and experienced personnel to strive for the future development and expansion of the Group by providing them with the opportunity to own equity interests in the Company.

Persons eligible to receive restricted share units (the "RSU(s)") under the 2018 RSU Scheme are existing employees, Directors (whether executive or non-executive, but excluding independent non-executive Directors (the "INED(s)")) or officers of the Company or any of its subsidiaries (the "RSU Eligible Person(s)"). The Board selects the RSU Eligible Persons to receive the RSUs under the 2018 RSU Scheme at its discretion.

The RSU grant letter will specify the manner of acceptance of the RSUs, the number of RSUs granted and the number of underlying Shares represented by the RSUs, the vesting criteria and conditions, the vesting schedule, the exercise price of the RSUs (where applicable) and such other details as the Board considers necessary, and will require the RSU Eligible Person to undertake to hold the RSUs on the terms on which it is granted and to be bound by the provisions of the 2018 RSU Scheme.

Within a reasonable time after the vesting criteria, conditions and time schedule have been reached, fulfilled, satisfied or waived, the Board will send a vesting notice (the "Vesting Notice") to each of the relevant RSU participants. The Vesting Notice will confirm the extent to which the vesting criteria, conditions and time schedule have been reached, fulfilled, satisfied or waived, and the number of Shares (and, if applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those Shares) involved.

RSUs held by a RSU participant that are vested as evidenced by the Vesting Notice may be exercised (in whole or in part) by the RSU participant serving an exercise notice in writing to the trustee of the 2018 RSU Scheme and copied to the Company. Any exercise of RSUs must be in respect of a board lot of 1,000 Shares each or an integral multiple thereof (except where the number of RSUs which remains unexercised is less than one board lot).

Subject to the Listing Rules, there is no maximum entitlement of Shares of each participant under the 2018 RSU Scheme.

Participants of RSUs are not required to pay any consideration to apply for or accept authorization.

Further details of the 2018 RSU Scheme are set forth in the section headed "Statutory and General Information – D. Share Incentive Schemes – 2. RSU Scheme" in Appendix IV to the Prospectus.

The total number of Shares available for grant under the 2018 RSU Scheme is 100,778,200 Shares, representing approximately 5.2% of the Company's issued share capital as at the date of this annual report. The remaining life of the 2018 RSU Scheme is around 3 years and 5 months.

During the Reporting Period, the trustee of the 2018 RSU Scheme did not purchase any Shares on the Stock Exchange.

As at the date of this annual report, all the granted RSUs pursuant to the 2018 RSU Scheme had been/will be satisfied by existing Shares only.

The following table discloses the movements in the RSUs granted pursuant to the 2018 RSU Scheme during the Reporting Period:

		Number of RSUs						
Type of grantees		As at 1 January 2024	Granted during the Reporting Period	Lapsed during the Reporting Period[1]	Vested during the Reporting Period[2]	As at 31 December 2024	Closing price of the Shares immediately before the date of grant (HK$ per Share)	Vesting period
Employees of the Group	2018.11.18	–	–	–	–	–	2.19	2019.02.01–2022.08.01[3]
	2020.01.22	–	–	–	–	–	1.34	2020.02.01–2023.10.01[4]
	2020.09.17	2,744,500	–	73,000	2,671,500	–	1.17	2021.01.01-2024.07.01[5]
	2021.04.29	2,687,594	–	110,000	1,512,594	1,065,000	2.80	2021.07.01-2025.06.01[6]
	2021.07.10	–	–	–	–	–	1.94	2021.08.01-2023.06.01[7]
	2022.01.01	11,925,845	–	919,595	4,633,125	6,373,125	1.68	2022.06.01-2026.06.01[8]
	2023.08.28	16,841,941	–	660,000	4,820,892	11,361,049	0.87	2023.08.28-2027.06.01[9]
	2024.04.02	–	14,108,750	300,000	1,172,187	12,636,563	0.85	2024.04.02-2028.06.01[10]

Notes:

(1) No RSUs were cancelled during the Reporting Period.

(2) Weighted average closing price of Shares immediately before the vesting date is HK$0.84 per Share.

(3) Those RSUs are vested in the following ways:

i. 50% vested on 1 February 2019, 25% vested on 1 August 2019 and 25% vested on 1 August 2020;

ii. 50% vested on 1 February 2019, and 25% vested in each 12 months from the first month after 1 February 2019, respectively;

iii. 25% vested on 1 February 2019, 25% vested on 1 August 2019, and 25% vested in each 12 months from the first month after 1 August 2019, respectively;

iv. 25% vested on 1 February 2019, and 25% vested in each 12 months from the first month after 1 February 2019, respectively; and

v. 25% vested on 1 August 2019, and 25% vested in each 12 months from the first month after 1 August 2019, respectively.

(4) Those RSUs are vested in the following ways:

i. 37.5% vested on 1 February 2020, 12.5% vested on 1 August 2020 and 25% vested in each 12 months from the first month after 1 August 2020, respectively;

ii. 25% vested on 1 February 2020, and 25% vested in each 12 months from the first month after 1 February 2020, respectively;

iii. 25% vested on 1 May 2020, and 25% vested in each 12 months from the first month after 1 May 2020, respectively;

iv. 25% vested on 1 July 2020, and 25% vested in each 12 months from the first month after 1 July 2020, respectively;

v. 50% vested on 1 July 2021, and 25% vested in each 12 months from the first month after 1 July 2021, respectively; and

vi. 50% vested on 1 October 2021 and 25% vested in each 12 months from the first month after 1 October 2021, respectively.

(5) Those RSUs are vested in the following ways:

i. 100% vested on 1 January 2021;

ii. 25% vested on 1 January 2021, and 25% vested in each 12 months from the first month after 1 January 2021, respectively;

iii. 25% vested on 1 July 2021, and 25% vested in each 12 months from the first month after 1 July 2021, respectively;

iv. 50% vested on 1 April 2022, and 25% vested in each 12 months from the first month after 1 April 2022, respectively; and

v. 50% vested on 1 July 2022, and 25% vested in each 12 months from the first month after 1 July 2022, respectively.

(6) Those RSUs are vested in the following ways:

i. 38.1% vested on 1 July 2021, 20.6% vested on 1 June 2022, and 20.6% vested in each 12 months from the first month after 1 June 2022, respectively;

ii. 25% vested on 1 June 2022, and 25% vested in each 12 months from the first month after 1 June 2022, respectively;

iii. 50% vested on 1 June 2022, and 25% vested in each 12 months from the first month after 1 June 2022, respectively;

iv. 50% vested on 1 September 2022, and 25% vested in each 12 months from the first month after 1 September 2022, respectively; and

v. 50% vested on 1 December 2022, and 25% vested in each 12 months from the first month after 1 December 2022, respectively.

(7) Those RSUs are vested in the following way:

33.3% (one-third) vested on 1 August 2021, 33.3% (one-third) vested on 1 June 2022 and 33.3% (one-third) vested on 1 June 2023.

(8) Those RSUs are vested in the following ways:

i. 25% vested on 1 June 2022, 25% vested on 1 March 2023, and 25% vested in each 12 months from the first month after 1 March 2023, respectively;

ii. 50% vested on 1 June 2022, and 50% vested on 1 June 2023;

iii. 50% vested on 1 September 2022, and 25% vested in each 12 months from the first month after 1 September 2022, respectively;

iv. 50% vested on 1 March 2023, and 25% vested in each 12 months from the first month after 1 March 2023, respectively;

v. 50% vested on 1 June 2023, and 25% vested in each 12 months from the first month after 1 June 2023, respectively;

vi. 50% vested on 1 September 2023, and 25% vested in each 12 months from the first month after 1 September 2023, respectively;

vii. 50% vested on 1 December 2023, and 25% vested in each 12 months from the first month after 1 December 2023, respectively;

viii. 25% vested on 1 June 2023, and 25% vested in each 12 months from the first month after 1 June 2023, respectively; and

ix. 50% vested on 1 March 2024, and 25% vested in each 12 months from the first month after 1 March 2024, respectively.

(9) Those RSUs are vested in the following ways:

i. 100% vested on 28 August 2023;

ii. 50% vested on 1 December 2024, and 25% vested in each 12 months from the first month after 1 December 2024, respectively;

iii. 50% vested on 28 August 2023, 25% vested on 1 June 2024, and 25% vested on 1 June 2025;

iv. 50% vested on 1 June 2024, and 25% vested in each 12 months from the first month after 1 June 2024, respectively;

v. 25% vested on 28 August 2023, 25% vested on 1 March 2024, and 25% vested in each 12 months from the first month after 1 March 2024, respectively;

vi. 25% vested on 1 June 2024, and 25% vested in each 12 months from the first month after 1 June 2024, respectively; and

vii. 50% vested on 1 December 2023, and 50% vested on 1 December 2024.

(10) Those RSUs are vested in the following ways:

i. 25% vested on 1 June 2025, and 25% vested in each 12 months from the first month after 1 June 2025, respectively;

ii. 50% vested on 1 September 2025, and 25% vested in each 12 months from the first month after 1 September 2025, respectively; and

iii. 25% vested on 1 June 2024, 25% vested on 1 March 2025, and 25% vested in each 12 months from the first month after 1 March 2025, respectively.

For the measuring basis and presentation of the fair value of RSUs granted, please refer to Note 28 to the consolidated financial statements of this annual report.

The 2022 RSU Scheme

A restricted share unit scheme (the “2022 RSU Scheme”) was adopted by the Board on 12 May 2022, the principle terms of which are set out in the announcement of the Company dated 12 May 2022. The 2022 RSU Scheme will be in parallel with other share incentive schemes which have been or may be adopted by the Company.

Pursuant to the 2022 RSU Scheme, the Company may direct and procure the trustee to receive existing Shares from any Shareholder or purchase existing Shares (either on-market or off-market) to satisfy the RSUs granted to any selected persons (regardless of whether such selected persons are connected or non-connected persons) upon exercise. The Company shall procure that sufficient funds are provided to the trustee by whatever means as the Board may in its absolute discretion determine to enable the trustee to satisfy its obligations in connection with the administration of the 2022 RSU Scheme. On 13 May 2022, the Company appointed Tricor Trust (Hong Kong) Limited as the trustee to hold Shares for the 2022 RSU Scheme.

The purpose of the 2022 RSU Scheme is to incentivise eligible persons who are existing Directors (whether executive or non-executive, but excluding INEDs), senior management or officers of the Company or any subsidiaries of the Company for their contribution to the Group, to attract, motivate and retain skilled and experienced personnel to strive for the future development and expansion of the Group by providing them with the opportunity to own equity interests in the Company.

The Board may determine the vesting criteria, conditions and the time schedule when the RSUs granted under the 2022 RSU Scheme will vest, and such criteria, conditions and time schedule shall be stated in the grant letter. Within a reasonable time after the vesting criteria, conditions and time schedule have been reached, fulfilled, satisfied or waived, the Board shall send the vesting notice to each of the relevant participants.

The vesting notice will confirm the extent to which the vesting criteria, conditions and time schedule have been reached, fulfilled, satisfied or waived, and the number of Shares (and, if applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those Shares) involved.

Unless otherwise specified in the Listing Rules, there is no maximum entitlement of Shares of each participant under the 2022 RSU Scheme.

Participants of the 2022 RSU Scheme are not required to pay any consideration to apply for or accept authorization.

The total number of Shares available for grant under the 2022 RSU Scheme is 96,872,100 Shares, representing approximately 5.0% of the Company's issued share capital as at the date of this annual report. The remaining life of the 2022 RSU Scheme is around 7 years and 2 months.

Since its adoption and during the Reporting Period, no RSU was granted under the 2022 RSU Scheme.

The remuneration committee of the Company (the "Remuneration Committee") has reviewed and confirmed that the terms under the Share Option Scheme, the 2018 RSU Scheme and the 2022 RSU Scheme remain valid and applicable.

During the Reporting Period, the Company has not granted any Share Options and RSUs for the potential issuance of new Shares.

Directors

During the Reporting Period and up to the date of this annual report, the Directors and their respective positions were:

Name	Position
Mr. FENG Yousheng	Chairman of the Board and Executive Director
Mr. HOU Guangling	Executive Director
Mr. LIU Xiaosong	Non-executive Director *(resigned on 28 March 2025)*
Mr. David CUI	Independent Non-executive Director
Mr. DU Yongbo	Independent Non-executive Director *(resigned on 29 November 2024)*
Dr. LI Hui	Independent Non-executive Director *(resigned on 29 November 2024)*
Mr. CHEN Yong	Independent Non-executive Director *(appointed on 26 March 2024)*
Ms. ZHENG Congnan	Independent Non-executive Director *(appointed on 29 November 2024)*

The biographical details of the current Directors and senior management of the Company as at the date of this annual report are set out in "Biographies of the Directors and Senior Management" in this annual report.

Directors' Service Contracts and Letters of Appointment

Each of the Directors has entered into a service contract or a letter of appointment with the Company. Mr. FENG Yousheng entered into a service contract with the Company on 24 November 2017, while Mr. HOU Guangling entered into a service contract and signed a letter of appointment with the Company respectively on 9 March 2018. Each of Mr. David CUI, Mr. CHEN Yong and Ms. ZHENG Congnan signed a letter of appointment with the Company on 1 April 2023, 26 March 2024 and 29 November 2024, respectively, which may be terminated in accordance with the respective terms thereof. The service contracts with the executive Directors may be renewed in accordance with the Articles of Association and the applicable Listing Rules.

Mr. FENG Yousheng and Mr. HOU Guangling will retire at the forthcoming AGM, and being eligible, have offered themselves for re-election. Details of the retiring Directors to be re-elected at the forthcoming AGM are set out in the Company's circular to be dispatched to the Shareholders.

Save as disclosed above, none of the Directors has entered, or has proposed to enter, a service contract or a letter of appointment with any member of the Group (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

Confirmation of Independence of Independent Non-executive Directors

The Company has received an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules from each of the INEDs, and the Company considers such Directors to be independent during the year ended 31 December 2024.

Directors' Interests in Transactions, Arrangements or Contracts of Significance

No transaction, arrangement or contract of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director and/or any of his/her connected entity had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2024.

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or Any of its Associated Corporations

As at 31 December 2024, the interests and short positions of the Directors or the chief executive of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or were required to be entered in the register required to be kept by the Company pursuant to Section 352 of the SFO, or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set forth in Appendix C3 to the Listing Rules were as follows:

(a) Interests in the Company

Name of Director/ chief executive of the Company	Nature of interest	Number of Shares[1]	Approximate percentage of shareholding interest
Mr. FENG	Founder of a discretionary trust	358,798,000[2]	18.52%
Mr. LIU	Interest in a controlled corporation	250,000,000[3]	12.90%
Mr. HOU	Interest in a controlled corporation	80,409,000[4]	4.15%

Notes:

(1) All interests stated are long positions.

(2) Mr. FENG is the founder of a discretionary trust which through its trustee TMF (Cayman) Ltd., holds the entire issued share capital of Fairy Story Holdings Limited. Fairy Story Holdings Limited holds 99.9% issued share capital of Fantastic Live Holdings Limited. Fantastic Live Holdings Limited in turn holds 358,798,000 Shares. Accordingly, Mr. FENG is deemed to be interested in the 358,798,000 Shares held by Fantastic Live Holdings Limited. Mr. FENG is also interested in 30,000,000 Share Options granted by the Company under the Share Option Scheme. As of the date of this annual report, the Share Options have not yet been exercised.

(3) Mr. LIU indirectly holds 70.11% of the capital stock of Shenzhen Kuaitonglian Technology Co., LTD. ("Kuaitonglian"), a subsidiary of A8 New Media Group, which in turn holds 22.51% of the total capital stock of Duomi Online. In addition, Mr. LIU directly holds 28.71% of Duomi Online's total capital stock. Duomi Online directly holds the entire share capital of Feiyang Hong Kong Limited, and Feiyang Hong Kong Limited in turn directly holds 250,000,000 Shares. Mr. LIU resigned as a non-executive Director with effect from 28 March 2025.

(4) Mr. HOU holds the entire share capital of Horizon Live Holdings Limited, which in turn directly holds 80,409,000 Shares. Mr. HOU is also interested in 20,000,000 Share Options granted by the Company under the Share Option Scheme. As of the date of this annual report, these Share Options have not yet been exercised.

(b) Interests in other members of the Group

So far as the Directors were aware, as at 31 December 2024, the following persons (excluding the Company) are directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Name of subsidiary	Name of Shareholder	Registered capital	Approximate percentage of interest
Beijing Meelive	Mr. FENG	RMB505,401	29.50%
Beijing Meelive	Duomi Online	RMB250,000	14.59%

Save as disclosed above, as at 31 December 2024, none of the Directors nor the chief executive of the Company had any interests or short positions in any of the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or were required to be entered in the register required to be kept by the Company pursuant to Section 352 of the SFO, or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at 31 December 2024, so far as was known to the Directors, the following persons, not being a Director or chief executive of the Company, had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of Shareholder	Nature of interest	Number of Shares(1)	Approximate percentage of shareholding interest
Fantastic Live Holdings Limited	Beneficial owner	358,798,000(2)	18.52%
Fairy Story Holdings Limited	Interest in a controlled corporation	358,798,000(2)	18.52%
TMF (Cayman) Ltd.	Trustee	358,798,000(2)	18.52%
Kunlun Group Limited	Beneficial owner	292,845,000	15.12%
Duomi Online	Interest in a controlled corporation	250,000,000(3)	12.90%
Feiyang Hong Kong Limited	Beneficial owner	250,000,000(3)	12.90%
Ms. WANG Meilin	Interest of spouse	80,409,000(4)	4.15%

Notes:

(1) All interests stated are long positions.

(2) Mr. FENG is the founder of a discretionary trust which through its trustee TMF (Cayman) Ltd., holds the entire issued share capital of Fairy Story Holdings Limited. Fairy Story Holdings Limited holds 99.9% issued share capital of Fantastic Live Holdings Limited. Fantastic Live Holdings Limited in turn holds 358,798,000 Shares.

(3) Mr. LIU indirectly holds 70.11% of the capital stock of Kuaitonglian, a subsidiary of A8 New Media Group, which in turn holds 22.51% of the total capital stock of Duomi Online. In addition, Mr. LIU directly holds 28.71% of Duomi Online's total capital stock. Duomi Online directly holds the entire share capital of Feiyang Hong Kong Limited, and Feiyang Hong Kong Limited in turn directly holds 250,000,000 Shares.

(4) Ms. WANG Meilin is the spouse of Mr. HOU.

Save as disclosed above, as at 31 December 2024, the Directors were not aware of any other persons who had any interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

MANAGEMENT CONTRACTS

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

PRE-EMPTIVE RIGHTS

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

EMOLUMENT POLICY

The Directors believe that effective talent management is the foundation for the Group's successful long-term development. The Group greatly values its employees and will continue to attract, cultivate and retain talent. The remuneration package of the Group's employees includes salary, bonuses and other cash subsidies. In general, the Group determines employee salaries based on each employee's qualifications, experience, position and seniority. The Group has designed an annual review system to assess the performance of its employees, which forms the basis of the determinations on salary raises, bonuses and promotion. The Directors believe the salaries and benefits that the Group's employees receive are competitive with market standards in each geographic location where the Group conducts business. In addition, the Company has adopted the Share Option Scheme, the 2018 RSU Scheme and the 2022 RSU Scheme which provide incentives to better motivate its employees.

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 emoluments of the five highest paid individuals in the Group, key management personnel compensations and the Directors' emoluments are set out in Notes 8(a), 36(d) and 37 to the consolidated financial statements of this annual report.

None of the Directors waived or agreed to waive any remuneration, and there were no emoluments paid by the Group to any of the Directors as an inducement to join, or upon joining the Group, or as compensation for the loss of office.

Except as disclosed above, no other payments have been made or were payable for the Reporting Period by the Group to or on behalf of any of the Directors.

EMPLOYEE BENEFITS

Particulars of the employee benefits of the Group are set out in Note 41.15 to the consolidated financial statements of this annual report.

PUBLIC FLOAT

As at the date of this annual report and based on the information that is publicly available to the Company and to the knowledge of the Directors, the Company has maintained the minimum public float of 25% as required under the Listing Rules.

AUDITOR

The Company has appointed PricewaterhouseCoopers as the auditor of the Company for the Reporting Period. A resolution will be proposed for approval by the Shareholders at the forthcoming AGM to re-appoint PricewaterhouseCoopers as the auditor of the Company.

The Company's auditor has not been changed for the past three years.

DISTRIBUTABLE RESERVES

As at the date of this annual report, the Company's distributable reserves calculated under the Companies Law of the Cayman Islands comprise the share premium, share option reserves and retained earnings, totaling approximately RMB3,082.6 million.

BANK BORROWINGS AND OTHER LOANS

For the Reporting Period, the Group did not have any short-term or long-term bank borrowings. Other loans that due within one year are set out in Note 36(c) to the consolidated financial statements of this annual report.

RIGHTS TO ACQUIRE THE COMPANY'S SECURITIES AND EQUITY-LINKED AGREEMENTS

Save as disclosed under the section headed "Share Option Scheme" above, at no time during the year was the Company, or any of its holding companies or subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executive of the Company or their respective associates (as defined under the Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, nor did the Company enter into any equity-linked agreement.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the Reporting Period, none of the Directors were interested in any business apart from the Group's business which competes or is likely to compete, directly or indirectly, with the business of the Group.

PERMITTED INDEMNITY PROVISION

Subject to applicable laws, the Directors and other officers shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices, pursuant to the Articles of Association. Such provisions were in force during the Reporting Period and are currently in force. The Company has arranged for appropriate insurance cover for Directors' liabilities in respect of legal actions that may be brought against the Directors.

CONTINUING CONNECTED TRANSACTIONS

The following transactions of the Group constituted continuing connected transactions for the Reporting Period under Rule 14A.31 of the Listing Rules and are required to be disclosed in this annual report in accordance with Rule 14A.71 of the Listing Rules. All capitalised terms used in this section shall have the same meanings defined in the Prospectus and the announcements of the Company dated 15 July 2019 and 25 September 2020, unless otherwise specified.

The Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver pursuant to Rule 14A.102 of the Listing Rules from strict compliance with certain requirements under Chapter 14A of the Listing Rules. The Company confirms that the following continuing connected transactions have complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules. For details of the waiver granted by and the relevant conditions imposed by the Stock Exchange, please refer to the section headed "Connected Transactions – Application for Waiver" in the Prospectus and the announcement of the Company dated 25 September 2020.

The Reason for Using Contractual Arrangements

The Group primarily engages in the operations of mobile live streaming platforms and is considered to be engaged in the provision of value-added telecommunications services, internet cultural services, online audio and video program services and talent agency services (the "Principal Business").

Beijing Meelive and its subsidiaries, hold the relevant licenses required for carrying out the above services and operate the aforementioned businesses. Pursuant to applicable PRC laws and regulations, foreign investors are prohibited from holding equity interest in an entity engaging in internet cultural activities and online audio and video program streaming services and are restricted to conduct value-added telecommunications services and talent agency services (the "Foreign Restricted Businesses"). For details of the relevant restriction, please refer to the section headed "Contractual Arrangements" in this annual report.

Accordingly, the Group cannot hold equity interest in Beijing Meelive and its subsidiaries, which conduct the Principal Business and the platform support services which operate through, and are closely related to and interdependent on the operation of, the Group's mobile live streaming platforms, online social network platform and hold the assets and certain licenses, approvals and permits required for the operation of the Principal Business.

In addition, the Group has established (i) Hunan Canchenyingchao Internet and Technology Co., Ltd. (湖南燦宸映朝網絡科技有限公司) ("Canchenyingchao"); and (ii) Hunan Lingxiaolansheng Internet and Technology Co., Ltd. (湖南凌霄攬勝網絡科技有限公司) ("Lingxiaolansheng"), mainly engaged in the value-added telecommunications business, operational internet cultural activities and other businesses. The abovementioned businesses are also considered as the Foreign Restricted Businesses under the relevant PRC laws.

As a result of the applicable PRC laws and regulations (please refer to the section headed "Contractual Arrangements" in this annual report) prohibit and/or restrict (i) foreign ownership in the telecommunications industry and of internet cultural industries in the PRC and (ii) foreign investors conducting value-added telecommunications services, the Group has established two new variable interest entities structures for the purpose of operating value-added telecommunications business and operational internet cultural business through Canchenyingchao and Lingxiaolansheng, respectively by entering into (i) the variable interest entities agreements[(1)] with the registered shareholders and Canchenyingchao; and (ii) the variable interest entities agreements[(2)] with the registered shareholders and Lingxiaolansheng. Please refer to the Company's announcement dated 25 September 2020 for further details.

Notes:

(1) Canchenyingchao Controlling Agreements, including the exclusive consulting and service agreement, the exclusive call option agreements, the equity pledge agreements and the powers of attorney.

(2) Lingxiaolansheng Controlling Agreements, the exclusive consulting and service agreement, the exclusive call option agreement, the equity pledge agreement and the powers of attorney.

The Group considers that the adoption of separate variable interest entities structures would provide flexibility to the Group to introduce third party investors in the future for the expansion of respective business of the Group.

Based on the above reasons, the Group believes that the adoption of separate variable interest entities structures would be instrumental to fostering and growing the value-added telecommunications business, operational internet cultural activities and other businesses while continuing to maintain a steady growth in the entertainment business.

Details of the contractual arrangements of the Group with Beijing Meelive, Canchenyingchao and Lingxiaolansheng (the "Contractual Arrangements") are shown as follows:

Inke Contractual Arrangements

On 14 February 2018, the Company, through its wholly-owned subsidiary, Beijing Cheese Network Technology Company Limited (北京映客芝士網路科技有限公司) ("Inke PRC"), entered into a series of contractual arrangements with each of Beijing Meelive and its registered shareholders to assert management control over the operations of its Principal Business conducted through Beijing Meelive and its subsidiaries, and to enjoy all economic benefits of Beijing Meelive and its subsidiaries. The structure agreements underlying such contractual arrangements with Beijing Meelive and its registered shareholders include: (i) exclusive consulting and service agreement, (ii) exclusive call option agreement, and (iii) equity pledge agreement (the "Inke Contractual Arrangements"). Moreover, each of the registered shareholders of Beijing Meelive had also executed an irrevocable power of attorney appointing Inke PRC as his/her/its proxy to exercise on his/her/its behalf of shareholder rights in Beijing Meelive.

Prior to the concert party arrangement being terminated on 13 November 2020 (the "Termination of Concert Party Arrangement"), (i) each of Mr. FENG, Ms. LIAO Jieming and Mr. HOU (the "Founder(s)") was a controlling shareholder of the Company and Beijing Meelive, and each of Mr. FENG and Mr. HOU is an executive Director and is therefore a connected person of the Company under Rule 14A.07(1) of the Listing Rules; and (ii) Beijing Meelive was owned directly as to approximately 36.45% collectively by the Founders, who have always been in consensus and in agreement when exercising their shareholders' rights when passing shareholders' resolutions of Beijing Meelive. Each of Beijing Meelive and its subsidiaries was therefore an associate of each of the Founders and a connected person of the Company under Rule 14A.07(4) of the Listing Rules. Accordingly, the transactions contemplated under the Inke Contractual Arrangements constitute continuing connected transactions of the Company under the Listing Rules upon the listing of the Company.

Upon the Termination of Concert Party Arrangement, Beijing Meelive is no longer an associate of any of the Group's connected persons (in particular, Mr. FENG and Mr. HOU as the Group's connected persons, individually owns less than 30% interest in Beijing Meelive). Therefore, the Inke Contractual Arrangements between the Group and Beijing Meelive ceased to be continuing connected transactions of the Group. For details of the Termination of Concert Party Arrangement, please see the section under "Termination of Acting in Concert Arrangement and Undertaking" in the Group's 2020 annual report and the announcement of the Company dated 13 November 2020.

Summary of the Inke Contractual Arrangements

For a summary of the major terms of the agreements of the Inke Contractual Arrangements, please refer to the section headed "Contractual Arrangements" in the Prospectus. Save as disclosed in this annual report, during the Reporting Period, there was no material change in the Inke Contractual Arrangements and/or the circumstances under which they were adopted, and none of the Inke Contractual Arrangements has been unwound as none of the restriction that led to the adoption of the same has been removed.

Canchenyingchao Contractual Arrangements

On 25 September 2020, the Company, through its wholly-owned subsidiary, Yingchuangxingao[1], entered into a series of contractual arrangements with each of Canchenyingchao and its registered shareholders to assert management control over the operations of its business conducted through Canchenyingchao and its subsidiaries, and to enjoy all economic benefits of Canchenyingchao and its subsidiaries. The structure agreements underlying such contractual arrangements with Canchenyingchao and its registered shareholders include: (i) exclusive consulting and service agreement, (ii) exclusive call option agreement, (iii) equity pledge agreement, (iv) power of attorney, and (v) confirmation from the spouse of each of the registered shareholders (the "Canchenyingchao Contractual Arrangements").

Since Mr. FENG is a substantial Shareholder, an executive Director and a chief executive officer of the Company, he is a connected person of the Company under Chapter 14A of the Listing Rules. In addition, as Mr. FENG is the registered shareholder owning 99% equity interest in Canchenyingchao, Canchenyingchao is an associate of Mr. FENG and therefore is also a connected person of the Company. Accordingly, the transactions contemplated under Canchenyingchao VIE Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Note:

(1) Hunan Yingchuangxingao Internet and Technology Co., Ltd.* (湖南映創新高網絡科技有限公司) ("Yingchuangxingao"), a wholly-foreign owned enterprise established under the laws of the PRC.

Summary of Canchenyingchao Contractual Arrangements

For a summary of the major terms of the agreements of Canchenyingchao Contractual Arrangements, please refer to the announcement of the Company dated 25 September 2020. Save as disclosed in this annual report, during the Reporting Period, there was no material change in Canchenyingchao Contractual Arrangements and/or the circumstances under which they were adopted, and none of Canchenyingchao Contractual Arrangements has been unwound as none of the restriction that led to the adoption of the same has been removed.

Lingxiaolansheng Contractual Arrangements

On 25 September 2020, the Company, through its wholly-owned subsidiary, Lingxiao Internet[1], entered into a series of contractual arrangements with each of Lingxiaolansheng and its registered shareholders to assert management control over the operations of its business conducted through Lingxiaolansheng and its subsidiaries, and to enjoy all economic benefits of Lingxiaolansheng and its subsidiaries. The structure agreements underlying such contractual arrangements with Lingxiaolansheng and its registered shareholders include: (i) exclusive consulting and service agreement, (ii) exclusive call option agreement and (iii) equity pledge agreement (iv) power of attorney, and (v) confirmation from the spouse of each of the registered shareholders (the "Lingxiaolansheng Contractual Arrangements").

Since Mr. FENG is a substantial Shareholder, an executive Director and a chief executive officer of the Company, he is a connected person of the Company under Chapter 14A of the Listing Rules. In addition, as Mr. FENG is the registered shareholder owning 99% equity interest in Lingxiaolansheng, Lingxiaolansheng is an associate of Mr. FENG and therefore is also a connected person of the Company. Accordingly, the transactions contemplated under Lingxiaolansheng VIE Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Note:

(1) Hunan Lingxiao Internet and Technology Co., Ltd. (湖南凌霄網絡科技有限公司) ("Lingxiao Internet"), a wholly-foreign owned enterprise established under the laws of the PRC.

Summary of Lingxiaolansheng Contractual Arrangements

For a summary of the major terms of the agreements of Lingxiaolansheng Contractual Arrangements, please refer to the announcement of the Company dated 25 September 2020. Save as disclosed in this annual report, during the Reporting Period, there was no material change in Lingxiaolansheng Contractual Arrangements and/or the circumstances under which they were adopted, and none of Lingxiaolansheng Contractual Arrangements has been unwound as none of the restriction that led to the adoption of the same has been removed.

Dispute Resolution under the Contractual Arrangements

Each of the agreements underlying the Contractual Arrangements abovementioned stipulate that in the event of any dispute arising out of or in relation to the agreements underlying the Contractual Arrangements, the parties shall first negotiate in good faith to resolve such dispute. If the parties fail to reach an agreement on the resolution of such dispute within 15 days, any party may submit such dispute to the China International Economic and Trade Arbitration Commission for arbitration in accordance with the then effective arbitration rules. The arbitration shall be conducted in Beijing, the language of arbitration shall be Chinese, and the results of the arbitration shall be final and binding on all relevant parties.

In addition, pursuant to the dispute resolution clause, the arbitral tribunal may award remedies over the equity interests or assets of Beijing Meelive, Canchenyingchao or Lingxiaolansheng, including restrictions over the conduct of business, restrictions or prohibitions over transfer or disposal of the equity interests or assets or order the winding-up of Beijing Meelive, Canchenyingchao or Lingxiaolansheng, and the courts of the PRC (being the place of establishment of and location of the asset of Beijing Meelive, Canchenyingchao or Lingxiaolansheng), Hong Kong and the Cayman Islands (being the place of incorporation of the Company) shall have jurisdiction to grant and/or enforce the arbitral award and to grant interim remedies over the equity interests or assets of Beijing Meelive, Canchenyingchao or Lingxiaolansheng.

Requirements related to Contractual Arrangements (other than relevant foreign ownership restrictions) as at the date of this annual report

On 11 December 2001, the State Council of the PRC promulgated the "Regulations for the Administration of Foreign-Invested Telecommunications Enterprises (《外商投資電信企業管理規定》)" (the "FITE Regulations"), which were amended on 10 September 2008 and 6 February 2016. According to the FITE Regulations, foreign investors are not allowed to hold more than 50% of the equity interests in a company providing value-added telecommunications services, including ICP services. In addition, a foreign investor who invests in a value-added telecommunications business in China must possess prior experience in operating value-added telecommunications businesses and a proven track record of business operations overseas (the "Qualification Requirements"). Currently none of the applicable PRC laws, regulations or rules provides clear guidance or interpretation on the Qualification Requirements.

The Ministry of Industry and Information Technology of the PRC issued a guidance memorandum on the application requirement for establishing foreign-invested value-added telecommunications enterprises in China. According to this guidance memorandum, an applicant is required to provide, among other things, satisfactory proof of the Qualification Requirements. The guidance memorandum does not provide any further guidance on the proof, record or document required to support the proof satisfying the Qualification Requirements. Further, this guidance memorandum does not purport to provide an exhaustive list on the application requirement.

The Company will closely monitor the progress of the FITE Regulations and inform the public in due course.

As at the date of this annual report, all of Beijing Meelive, Canchenyingchao and Lingxiaolansheng have complied with the Qualification Requirements.

PARTICULARS OF THE OPERATING COMPANIES

Set out below is the registered owners and business activities of the operating companies which had entered into transaction with the Group during the Reporting Period:

Name of the operating companies	Registered shareholders as at 31 December 2024	Business activities
Beijing Meelive	29.50% owned by Mr. FENG 4.69% owned by Mr. HOU 4.69% owned by Ms. LIAO Jieming 63.55% owned by other registered shareholders(1)	operations of mobile live streaming platforms
Canchenyingchao	99% owned by Mr. FENG 1% owned by Mr. HOU	no substantive operation for the Reporting Period
Lingxiaolansheng	99% owned by Mr. FENG 1% owned by Mr. HOU	no substantive operation for the Reporting Period

Note:

(1) Shareholdings of the other registered shareholders are as follows: Duomi Online as to 14.59%, Xizang Kunnuo Yibgzhan Entrepreneurship Investment Co., Ltd. (西藏昆諾贏展創業投資有限責任公司) as to 10.23%, Ningbo Meishan Bonded Port Inke Changqing Investment management Partnership (Limited Partnership) (寧波梅山保稅港區映客常青投資管理合夥企業(有限合夥)) as to 7.79%, Ningbo Meishan Bonded Port Inke Yuanda Investment Management Partnership (Limited Partnership) (寧波梅山保稅港區映客遠達投資管理合夥企業(有限合夥)) as to 5.06%, Ningbo Meishan Bonded Port Inke Huanzhong Investment Management Partnership (Limited Partnership) (寧波梅山保稅港區映客歡眾投資管理合夥企業(有限合夥)) as to 5.06%, Suzhou Zihui Juxin Investment Center (Limited Partnership) (蘇州紫輝聚鑫投資中心(有限合夥)) as to 6.38%, Jiaxing Gaungxin No. 9 Investment Partnership (Limited Partnership) (嘉興光信九號投資合夥企業(有限合夥)) as to 3.00%, Jiaxing Guangmei Investment Management Partnership (Limited Partnership) (嘉興光美投資合夥企業(有限合夥)) as to 2.03%, Jiaxing Guanglian Investment Management Partnership (Limited Partnership) (嘉興光聯投資管理合夥企業(有限合夥)) as to 0.78%, Ningbo Anhe Ruichi Investment Partnership (Limited Partnership) (寧波安合瑞馳投資合夥企業(有限合夥)) as to 1.27%, Ningbo Qingzheng Investment Management Partnership (Limited Partnership) (寧波青正投資管理合夥企業(有限合夥)) as to 1.27%, Changxing Shengju Equity Investment Partnership (Limited Partnership) (長興盛鉅股權投資合夥企業(有限合夥)) as to 0.91%, Shenzhen Tencent Entrepreneurship Base Development Co., Ltd. (深圳市騰訊創業基地發展有限公司) as to 0.91%, Beijing Shunya International Investment Co., Ltd (北京宣亞國際投資有限公司) as to 0.74% and Chiyu Investment as to 1.09%.

The above operating companies are significant to the Group as they hold relevant licenses to provide internet information services and other value-added telecommunications services which are the principal businesses of the Group.

The consolidated total revenue of Beijing Meelive, Canchenyingchao and Lingxiaolansheng for the Reporting Period was approximately RMB6,622.5 million and the consolidated total assets of Beijing Meelive, Canchenyingchao and Lingxiaolansheng for the Reporting Period was approximately RMB4,182.9 million. For the Reporting Period, Canchenyingchao and Lingxiaolansheng had no substantive operations.

Risks Relating to the Contractual Arrangements and Actions Taken by the Group to Mitigate the Risks

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

(i) If the PRC government finds that the Contractual Arrangements do not comply with PRC laws and regulations, or if the laws and regulations, or if their interpretations change in the future, the Company would be subject to severe penalties or be forced to relinquish the interests received through the Contractual Arrangements.

(ii) The Foreign Investment Law promulgated in 2020 does not contain a concrete guidance to deal with the Contractual Arrangements.

(iii) The Contractual Arrangements may not be as effective as direct ownership in providing control over Beijing Meelive, Canchenyingchao, Lingxiaolansheng or its shareholders may fail to perform their obligations under the Contractual Arrangements.

(iv) The Group may lose control over Beijing Meelive, Canchenyingchao or Lingxiaolansheng and may not enjoy the full economic benefits of them if Beijing Meelive, Canchenyingchao or Lingxiaolansheng declares bankruptcy or becomes subject to a dissolution or liquidation proceeding.

(v) The Contractual Arrangements may be subject to scrutiny by the PRC tax authorities and additional taxes may be imposed. A finding that the Company owes additional taxes could substantially reduce the Group's net income.

(vi) The registered shareholders may have conflicts of interest with the Group, which may materially and adversely affect the Group's business and financial conditions.

(vii) Certain terms of the Contractual Arrangements may not be enforceable under PRC law and enforcement of certain of the Group's rights under the Contractual Arrangements is subject to regulatory approval.

(viii) The Group does not have any insurance which covers the risks relating to the Contractual Arrangements and the transactions contemplated thereunder.

(ix) Economic risks that Inke PRC, Yingchuangxingao or Lingxiao Internet bear as the primary beneficiary of Beijing Meelive, Canchenyingchao or Lingxiaolansheng, financial support to Beijing Meelive, Canchenyingchao or Lingxiaolansheng and potential exposure of the Group to losses.

(x) Limitations in exercising the option to acquire ownership in Beijing Meelive, Canchenyingchao or Lingxiaolansheng.

Further details of the risks associated with the Contractual Arrangements, please refer to the section headed "Risk Factors – Risks related to our Contractual Arrangement" in the Prospectus, the section headed "Risk Factors in relation to the VIE Agreements" in the announcement of the Company dated 15 July 2019 and the section headed "Risk Factors in relation to the New VIE Agreements" in the announcement of the Company dated 25 September 2020.

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

(i) as part of the internal control measures, major issues arising from the implementation of the Contractual Arrangements will be regularly reviewed, at least on a quarterly basis, by the Board;

(ii) matters relating to compliance and regulatory enquiries from the governmental authority (if any) will be discussed at these regular meetings;

(iii) the relevant business units and operation divisions of the Group will report regularly, which will be no less frequently than on a monthly basis, to the senior management of the Company in relation to compliance and performance conditions under the Contractual Arrangements and other related matters;

(iv) the company seals, financial seals, contract seals and crucial corporate certificates of Beijing Meelive, Canchenyingchao or Lingxiaolansheng and their respective subsidiaries are kept by the Group's finance department. Any employee of the Group who wishes to use the seals will have to obtain internal approval from the business, legal and/or finance department(s) (as the case may be) of the Group, as well as approval from relevant department head and vice president and the chief executive officer of the Company, depending on the importance or transaction value of the document to which the seal/seals will be affixed. The business, legal and/or finance departments constitute the Group's central management system and the persons in charge of these departments as well as the department members responsible for the custody and handling of the seals and crucial corporate certificates are employees of the Company;

(v) if necessary, legal advisers and, or other professionals will be retained to assist the Group to deal with specific issues arising from the Contractual Arrangements and to ensure that the operation and implementation of the Contractual Arrangements as a whole will comply with applicable laws and regulations;

(vi) the INEDs will review the compliance of the Contractual Arrangements on an annual basis and their confirmation will be disclosed in the Company's annual report;

(vii) to avoid potential conflicts of interest, the Board (including the INEDs) will ensure that any designee or person or entity designated by wholly foreign-owned enterprise, Inke PRC, Yingchuangxingao and Lingxiao Internet and the Registered Shareholders for the purpose of exercising any of the rights originally granted to wholly foreign-owned enterprise, Inke PRC, Yingchuangxingao and Lingxiao Internet and/or such designee under the Contractual Arrangements shall be restricted to a legally-held subsidiary of the Company (and which will be under the management control of the Company) or an authorised Director or a legally-held subsidiary (whom shall own fiduciary duties to us) and shall exclude the Registered Shareholders, and any of their associates. The Board will also ensure that no rights shall be granted to any other third parties outside of the Group which does not owe any fiduciary duties to the Company;

(viii) the Board (including the INEDs) will ensure that wholly foreign-owned enterprise, Inke PRC, Yingchuangxingao or Lingxiao Internet will only approve and consent to the relevant operating entity carrying out the Company's principal business and ancillary business which would otherwise be prohibited or restricted to be carried out by foreign invested entities under relevant PRC laws and regulations;

(ix) the Board (including the INEDs) will ensure that Beijing Meelive, Canchenyingchao and Lingxiaolansheng and their respective subsidiaries shall retain and continue to hold all relevant intellectual properties, including trademarks, computer software, copyrights and domain names, required for the purpose of maintaining and renewing its operating licences and permits as required by relevant PRC government authorities, and going forward and to the extent permissible under PRC laws and regulations, Inke PRC, Yingchuangxingao or Lingxiao Internet or any other legally held member of the Group shall be the registered owner of any other newly developed and non-game related trademarks which will be material to the business of the Group; and

(x) the Group will unwind the Contractual Arrangements as soon as relevant PRC laws and regulations allow the business of Beijing Meelive, Canchenyingchao or Lingxiaolansheng to be conducted and operated by the Company's subsidiaries without such arrangements in place.

Further details of the actions taken by the Company to mitigate the risks associated with the Contractual Arrangements, please refer to the section headed "Operations In Compliance With The Contractual Arrangements" in the Prospectus, the section headed "Internal Control Measures" in the announcement of the Company dated 25 September 2020.

Confirmation of Independent Non-executive Directors

The INEDs have reviewed the above continuing connected transactions of the Company and confirmed that such transactions have been entered into: (a) in the ordinary and usual course of business of the Group; (b) on normal or better commercial terms which are not less favourable to the Group than terms available to or from (as appropriate) independent third parties; and (c) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole, the INEDs have also confirmed that no dividends or other distributions have been made by the entities controlled by the Group through the Contractual Arrangements to the holders of their equity interests which were not otherwise subsequently assigned or transferred to the Group during the Reporting Period.

Confirmation from the Company's Independent Auditor

The Board has received a confirmation from the auditor of the Company with respect to the above continuing connected transactions and the letter stated that for the Reporting Period:

a. nothing has come to the auditor's attention that causes them to believe that the disclosed continuing connected transactions under the Contractual Arrangements as defined in this annual report have not been approved by the Board;

b. nothing has come to the auditor's attention that causes them to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements under the Contractual Arrangements governing such transactions; and

c. with respect of disclosed continuing connected transactions with the entities controlled by the Group through the Contractual Arrangements, nothing has come to the auditor's attention that causes them to believe that dividends or other distributions have been made by the entities controlled by the Group through the Contractual Arrangements to the holders of their equity interests which were not otherwise subsequently assigned or transferred to the Group.

Save as disclosed in this annual report, as of the date of this annual report, the Company had no other connected transactions which are required to be disclosed in accordance with the provisions under Chapter 14A of the Listing Rules in relation to the disclosure of connected transactions. Further details on related party transactions for the Reporting Period are set out in Note 36 to the consolidated financial statements in this annual report.

CORPORATE GOVERNANCE

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

SIGNIFICANT EVENTS AFTER THE YEAR END

As of the date of this annual report, there have been no other significant events affecting the Group since 31 December 2024.

AUDIT COMMITTEE

The Company established the audit committee of the Company (the "Audit Committee") with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code (the "CG Code") as set out in Appendix C1 to the Listing Rules. As of the date of this annual report, the Audit Committee comprises three INEDs, Mr. David CUI, Mr. CHEN Yong and Ms. ZHENG Congnan. Mr. David CUI is the chairman of the Audit Committee.

The Audit Committee has reviewed and discussed the annual results for the Reporting Period.

TAX RELIEF

The Company is not aware of any relief from taxation available to the Shareholders by reason of their holding of the Shares.

If the Shareholders are unsure about the taxation implications of purchasing, holdings, disposing of, dealing in, or the exercise of any rights (including entitlements to any relief of taxation) in relation to, the Shares, they are advised to consult an expert.

By order of the Board
FENG Yousheng
Chairman and Executive Director

Hong Kong, 28 March 2025

CORPORATE GOVERNANCE PRACTICE

The Board is committed to upholding high standard of corporate governance practices and business ethics in the firm belief that they are crucial to improving the efficiency and performance of the Group and to safeguarding the interests of the Shareholders. The Board reviews the Company's corporate governance practices from time to time in order to meet the expectations of stakeholders and comply with increasingly stringent regulatory requirements, and to fulfill its commitment to excellence in corporate governance. Set out below are the principles of corporate governance as adopted by the Company during the year ended 31 December 2024.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of its Shareholders and to enhance corporate value and accountability.

The Company has adopted the CG Code 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 the applicable code provisions of the CG Code and adopted most of the best recommended practices set out therein, except for a deviation from the code provision C.2.1 of the CG Code which requires that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

Mr. FENG is the chairman and chief executive officer of the Company. With extensive experience in the internet industry, Mr. FENG is responsible for the overall strategic planning and general management of the Group and is instrumental to the Company's growth and business expansion since its establishment in 2015. The Board considers that vesting the roles of chairman and chief executive officer in the same person is beneficial to the management of the Group. The senior management and the Board are composed of experienced and capable people and a balance of power and authority is ensured in the operation. The Board currently comprises two executive Directors (including Mr. FENG) and three independent non-executive Directors and therefore has a fairly strong independence element in its composition.

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

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

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

BOARD OF DIRECTORS

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

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

The Board is responsible for establishing the Company's objectives, values and strategies, and satisfying itself that these are aligned with the Company's culture. All directors act with integrity, lead by example, and promote the desired culture. Such culture is instil and continually reinforce across the organisation values of acting lawfully, ethically and responsibly.

Board Composition

During the year ended 31 December 2024 and up to the date of this annual report, the composition of the Board is as follows:

Executive Directors

Mr. FENG Yousheng *(Chairman and Chief Executive Officer)*
Mr. HOU Guangling

Non-Executive Director

Mr. LIU Xiaosong *(resigned on 28 March 2025)*

Independent Non-executive Directors

Mr. David CUI
Mr. DU Yongbo *(resigned on 29 November 2024)*
Dr. LI Hui *(resigned on 29 November 2024)*
Mr. CHEN Yong *(appointed on 26 March 2024)*
Ms. ZHENG Congnan *(appointed on 29 November 2024)*

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

Mechanism regarding Independent Views to the Board

The Board has implemented different ways to ensure independent views and inputs are available to the Board. The implementation and effectiveness of such mechanism was reviewed on an annual basis. The Board considers that such mechanism has been implemented properly and effectively.

The mechanism is disclosed below:

(i) Composition

The Board endeavours to ensure the appointment of at least three INEDs and at least one-third of its members being the INEDs (or such higher threshold as may be required by the Listing Rules from time to time), and at least one INED has appropriate professional qualifications, or expertise in accounting or related financial management. The Company shall also appoint the INED(s) to join any committee(s) under the Board in accordance with the requirements of the Listing Rules as far as practicable to ensure independent views are available.

(ii) Independence Assessment

The nomination committee of the Company (the “Nomination Committee”) shall strictly adhere to its nomination policy and the independence assessment criteria as set out in the Listing Rules with regard to the nomination and appointment of the INEDs when nominating and appointing any INED, and is mandated to assess annually the independence of all INEDs to ensure that they can continually exercise independent judgement.

(iii) Board Decision Making

Director(s) (including the INED(s)) may reasonably request to seek independent professional advice to assist in performing their duties at the Company’s expenses. The Board shall ensure that the INEDs are provided with independent advice and sufficient support to enable them to discharge their responsibilities.

If any substantial Shareholder or Director has a conflict of interest that the Board deems to be significant in matters to be considered by the Board, the relevant matters shall be handled by convening a Board meeting.

A Director shall not vote or be counted in the quorum on any Board resolution approving any contract, transaction or arrangement in which such Director has a material interest.

(iv) Evaluation of the Board

The Board evaluates and reviews the time contributed by each INED and their attendance at meetings of the Board and Board committees to ensure that each INED devotes sufficient time to the Board to perform his/her duties as a Director of the Company.

(v) Review of the Mechanism Implementation

The Board shall, or may designate a Board committee to, make an annual review of the implementation and effectiveness of these mechanisms.

The Company has received written annual confirmation from each of the INEDs in respect of his/her independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all INEDs are independent in accordance with the independence requirement set out in the Listing Rules.

The biographical information of the Directors is set out in the section headed "Biographies of the Directors and Senior Management" on pages 16 to 18 of this annual report.

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

Save as disclosed in this annual report, the Directors do not have any other financial, business, family or other material/relevant relationships with one another.

Chairman and Chief Executive Officer

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

Mr. FENG Yousheng is the chairman and chief executive officer of the Company. With extensive experience in the internet industry, Mr. FENG is responsible for the overall strategic planning and general management of the Group and is instrumental to the Company's growth and business expansion since its establishment in 2015. The Board considers that vesting the roles of chairman and chief executive officer in the same person is beneficial to the management of the Group. The senior management and the Board are composed of experienced and capable people and a balance of power and authority is ensured in the operation. The Board currently comprises two executive Directors (including Mr. FENG) and three independent non-executive Directors and therefore has a fairly strong independence element in its composition.

The Board will continue to review the effectiveness of the Group's corporate governance structure to assess whether differentiation of the roles of chairman and chief executive officer is necessary and to ensure that the current corporate structure does not compromise the balance of power in the Group.

Appointment and Re-election of Directors

Each of the Directors is engaged on a service contract (in the case of the executive Directors) or a letter of appointment (in the case of the non-executive Directors and the INEDs) for a specific term of three years, which is renewable by mutual consent and subject to the Articles of Association.

The Articles of Association provide that all Directors appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the first AGM after his/her appointment and shall then be eligible for re-election at that meeting. Every Director (including those appointed for a specific term) shall also be subject to retirement and re-election by rotation at least once every three years at the AGMs under the Articles of Association.

As such, Mr. FENG Yousheng, Mr. HOU Guangling and Ms. ZHENG Congnan shall retire by rotation at the forthcoming AGM and have offered themselves for re-election. Details of the retiring Directors to be re-elected at the forthcoming AGM are set out in the circular of the Company to be dispatched to the Shareholders.

Responsibilities of the Directors

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

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

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

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

All Directors have full and timely access to all information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company. The Nominating Committee is empowered to assess the independence of INEDs annually to ensure their continued independent judgment. The Board also reviews the implementation and effectiveness of this mechanism annually.

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

Continuous Professional Development of Directors

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that they remain informed and relevant for their contribution to the Board.

Every newly appointed Director has received formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Directors' responsibilities and obligations under the Listing Rules and relevant statutory requirements. In particular, each of Mr. CHEN Yong and Ms. ZHENG Congnan, who has been appointed as an INED on 26 March 2024 and 29 November 2024, respectively, obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 26 March 2024 and 29 November 2024, respectively, and they have confirmed that they understood their obligations as a Director. Besides, meetings with senior management of the Company are also arranged for newly appointed Directors.

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

During the Reporting Period, the Company organized one training session conducted by the qualified professionals for all Directors. Such training session covered a wide range of relevant topics including directors' duties and responsibilities, risk management and internal controls, etc. In addition, relevant reading materials including Directors' manual, legal and regulatory updates and seminar handouts have been provided to the Directors for their reference and study.

During the Reporting Period, all current Directors (i.e., Mr. FENG Yousheng, Mr. HOU Guangling, Mr. David CUI, Mr. CHEN Yong and Ms. ZHENG Congnan) and resigned Directors (i.e., Mr. LIU Xiaosong, Mr. DU Yongbo and Dr. LI Hui) have participated in relevant Director training. The Directors confirmed that they had complied with such requirements during the Reporting Period.

Attendance Records of Directors and Committee Members

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

	Attendance/Number of Meetings				
Name of Director	**Board**	**Audit Committee**	**Remuneration Committee**	**Nomination Committee**	**General Meeting**
Mr. FENG Yousheng	5/5	—	—	2/2	1/1
Mr. HOU Guangling	5/5	—	—	—	1/1
Mr. LIU Xiaosong *(resigned on 28 March 2025)*	5/5	2/2	1/1	—	1/1
Mr. David CUI	5/5	2/2	1/1	—	1/1
Mr. DU Yongbo *(resigned on 29 November 2024)*	3/3	—	1/1	2/2	1/1
Dr. LI Hui *(resigned on 29 November 2024)*	3/3	2/2	—	2/2	1/1
Mr. CHEN Yong *(appointed on 26 March 2024)*	4/4	—	—	—	1/1
Ms. ZHENG Congnan *(appointed on 29 November 2024)*	1/1	—	—	—	—

Code provision C.5.1 of the CG Code prescribes that at least four regular Board meetings should be held in each year at approximately quarterly intervals with active participation of majority of directors, either in person or through electronic means of communication. During the Reporting Period, the Company held five Board meetings and an AGM on 13 June 2024. The Company will fully comply with the requirement under code provision C.5.1 of the CG Code to convene Board meetings at least four times a year at approximately quarterly intervals.

The Audit Committee held two meetings during the Reporting Period to review and consider, the annual financial results and reports for the year ended 31 December 2023, the interim financial results and reports for the six months ended 30 June 2024, amendments to its terms of reference, operational and compliance controls, the effectiveness of the risk management and internal control systems and internal audit function, appointment of external auditors and engagement of non-audit services. The Audit Committee also met the external auditors once during the Reporting Period without the presence of the executive Directors and the management.

The Remuneration Committee held one meeting and the Nomination Committee held two meetings during the Reporting Period. All respective members of the two committees attended the meetings.

BOARD COMMITTEES

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

The majority of the members of the Remuneration Committee, Audit Committee and Nomination Committee are INEDs.

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

Audit Committee

The Audit Committee consists of three members, namely Mr. David CUI, Mr. CHEN Yong and Ms. ZHENG Congnan, the independent non-executive Directors. Mr. David CUI, being the chairman of the Audit Committee, is appropriately qualified as required under Rules 3.10(2) and 3.21 of the Listing Rules.

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

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

The Company's annual results for the year ended 31 December 2024 have been reviewed by the Audit Committee.

Remuneration Committee

The Company has established the Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the CG Code. The Remuneration Committee consists of three members, namely Mr. David CUI, Mr. CHEN Yong and Ms. ZHENG Congnan, the independent non-executive Directors. Ms. ZHENG Congnan is the chairlady of the Remuneration Committee. All of the Remuneration Committee members are INEDs.

The terms of reference of the Remuneration Committee are of no less exacting terms than those set out in the CG Code. The main duties of the Remuneration Committee are to review and make recommendations to the Board regarding the terms of remuneration packages, bonuses and other compensation payable to the Directors and senior management. The Remuneration Committee also to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

Pursuant to code provision E.1.5 of the CG Code, details of the remuneration of the senior management (other than Directors) by bands for the year ended 31 December 2024 is as follows:

	Number of employee(s)
HK$2,500,001 to HK$3,000,000	1
HK$3,000,001 to HK$3,500,000	0
HK$3,500,001 to HK$4,000,000	1

Details of the Directors' remuneration are set out in Note 37 to the consolidated financial statements of this annual report.

Nomination Committee

The Nomination Committee consists of three members, namely Mr. FENG Yousheng, the chairman, chief executive officer and the executive Director, Mr. CHEN Yong and Ms. ZHENG Congnan, the INEDs. Mr. FENG Yousheng is the chairman of the Nomination Committee. The majority of the Nomination Committee members are INEDs.

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

The Company has formulated and adopted the board diversity policy (the "Board Diversity Policy") for compliance with the Listing Rules and the code provisions concerning the diversity of board members. The Nomination Committee reviews the composition of the Board and supervises the execution of the Board Diversity Policy based on such standards annually. The Board Diversity Policy sets out the approach adopted by the Board regarding diversity of Board members.

The Board continuously seeks to enhance its effectiveness and to maintain the highest standard of corporate governance and recognizes diversity at Board level as an essential element in maintaining competitive advantage and sustainable development. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge, length of services and time to be devoted as a Director. The Company will also take into account factors relating to its own business model and specific needs from time to time. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

To implement its Board Diversity Policy, the Company has adopted the following measurable objectives:

1. At least one-third of the Board members shall be INEDs;

2. At least one member of the Board shall have obtained accounting or other professional qualifications; and

3. At least one member of the Board is female.

The Board has achieved the first two measurable objectives of the Board Diversity Policy during the Reporting Period.

The Company believes that Board diversity is important to the sustainable and balanced development of the Company and regards Board diversity as a key element in achieving its strategic objectives and maintaining sustainable development. The Company views diversity as a broad concept and will consider a number of factors, including skills, regional and industry experience, background, gender and other characteristics.

As of 31 December 2024, the Company's Board is composed of 5 male members and 1 female member. As at the date of this annual report, the Company's Board is composed of 4 male members and 1 female member. The Company currently has one female Director, accounting for 20% of Board members. As of 31 December 2024, the Company's senior management is all male. As with gender diversity on the Board, the Company wishes to avoid a single gender senior team and will review the level of gender diversity in the senior team in the light of the business development of the Group, with a view to achieving greater gender equality in the senior management team within the next three years. As of 31 December 2024, the gender ratio of the Group's workforce was approximately 54% male to 46% female. The Company's hiring is merit-based and non-discriminatory. The Board is satisfied that the Company has achieved gender diversity in its workforce. During the Reporting Period, the Company did not identify any factors or circumstances that would make achieving gender diversity in the workforce, including senior management, more challenging or would be irrelevant to gender diversity.

In order to achieve this goal, the Company will seek suitable female Directors through various channels, such as referrals from other Board members, through recruitment platforms and other channels, taking into account various factors according to its business model and the specific needs of the time. The Company strives to ensure that its Board members maintain an appropriate balance of skills, experience and diversity of views and perspectives to support the implementation of its business strategy and the effective functioning of the Board.

During the Reporting Period, the Board reviewed the implementation and effectiveness of the Board Diversity Policy and took into account the objectives set out in the policy in reviewing its Board composition to ensure that it has a balanced composition of skills and experience in line with the requirements of the Company's businesses.

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

During the Reporting Period, the Nomination Committee and the Board reviewed the Company's Director nomination policy and found it to be valid.

RISK MANAGEMENT AND INTERNAL CONTROLS

Review of Risk Management and Internal Controls

The Board acknowledges that it is responsible for maintaining sound and effective risk management and internal control systems and reviewing their effectiveness. The Company's risk management and internal control systems provide a comprehensive and organized structure with clearly defined scopes of responsibilities, authorities and procedures.

The Company has a designated risk management and internal control team (the "Team") which is responsible for identifying and continuously monitoring the Company's risks (including ESG risks) and internal control issues, making effective analysis and independent evaluation and reporting directly to the Board of any findings and follow up actions. All departments of the Company are required to adhere to the Company's internal control procedures and report to the Team of any risks or internal control issues. The Audit Committee also reviews the Company's financial controls, risk management and internal control systems as well as those relating to the Company's ESG performance and reporting on a regular basis.

During the year ended 31 December 2024, the Team was responsible for the risk management and internal control work. The Team reported the Company's risks (including ESG risks) and internal control issues to the Audit Committee. The Audit Committee conducted a review of the effectiveness of various aspects of the Company's risk management and internal control systems covering all material controls, including financial, operational and compliance controls functions for the year. The review results were reported to the Board, and the Board is satisfied that such systems are effective and adequate.

During the Reporting Period, the Team identified, evaluated, reported and managed risks (including ESG risks). Based on the risk management procedures performed, the Company has identified significant risks (including ESG risks) of the Company, which have been reported to the Audit Committee and the Board. Measures have been designed and implemented by the management accordingly.

The Team evaluated the Company's internal control during the Reporting Period. The internal control report has been reviewed by the Audit Committee and the Board. In addition, the Board had received confirmation from the management that:

— the financial records have been properly maintained and the financial statements give a true and fair view of the operation and financial position of the Group; and

— the risk management and internal control systems of the Group are effective.

Based on the framework for risk management and internal control systems established by the Group, the Board and the Audit Committee considered that, through the review of risk management and internal control systems of the Group, they can evaluate and improve their effectiveness. The Board, with the concurrence of the Audit Committee, considered that the Company's internal control systems, including financial, operational, compliance and ESG related issues, were effective and adequate for the year ended 31 December 2024 based on the work performed and report prepared by the Team as well as the confirmation letter provided by the management. The Company will perform ongoing assessments to update all material risk factors (including ESG risks) on a regular basis. In any case, review of risk management and internal control systems will be conducted annually.

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

The Board conducts regular review and assessment of inside information, discusses with the management or authorized persons of the Company about disclosure of inside information, reports to the Board once identified any inside information for dissemination. The Company has formulated inside information disclosure policies to provide employees with guidelines on reporting and disseminating inside information, confidentiality and compliance with restrictions on trading.

The Company has established a whistleblowing policy which enhances the awareness of internal corporate justice and regards this as a kind of internal control mechanism. It provides employees with reporting channels and guidance on whistleblowing about possible improprieties in any matter related to the Company. The Company treats all information received confidentially and protects the identity and the interests of all whistleblowers.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2024.

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

The statement of the independent auditor of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 75 to 78 of this annual report.

EXTERNAL AUDITOR AND AUDITOR'S REMUNERATION

The remuneration for the audit and non-audit services provided by the Auditor to the Group during the year ended 31 December 2024 was approximately as follows:

Type of Services	Amount (RMB'000)
Audit and audit-related services	5,000
Non-audit services (including tax consulting services)	857
Total	5,857

JOINT COMPANY SECRETARIES

The Company has engaged Ms. AU Wing Sze of TMF Hong Kong Limited, an external service provider, as the Company's joint company secretary. Her primary contact person at the Company is Mr. XIAO Liming, the joint company secretary and vice president of finance of the Company.

The joint company secretaries of the Company attended sufficient professional training as required under Rule 3.29 of the Listing Rules during the year ended 31 December 2024 to update their skills and knowledge.

SHAREHOLDERS' RIGHTS

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

Convening an Extraordinary General Meeting

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

Putting Forward Proposals at General Meetings

There are no provisions in the Articles of Association or the Cayman Islands Companies Law for Shareholders to propose new resolutions at general meetings. Shareholders who wish to propose a resolution may request the Company to convene a general meeting in accordance with the procedures set out in the preceding paragraph. As regards proposing a person for election as a Director, please refer to the "Procedures for shareholders to propose a person for election as director" of the Company which is posted on the Company's website.

Putting Forward Enquiries to the Board

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

Contact Details

The contact details of the Company are set out in the Company's website (www.inkeverse.com).

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

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor's understanding of the Group's business performance and strategies. The Company endeavours to maintain an ongoing dialogue with Shareholders and in particular, through AGMs and other general meetings. At the annual general meeting, Directors (or their delegates as appropriate) are available to meet Shareholders and answer their enquiries.

SHAREHOLDERS' COMMUNICATION POLICY

The Board has adopted a Shareholders' Communication Policy which is subject to annual review to ensure its implementation and effectiveness. Such policy aims at ensuring Shareholders can have equal and timely access to information about the Company in order to enable the Shareholders to exercise their rights in an informed manner and to allow them to engage actively with the Company.

A summary of the Company's Shareholders' Communication Policy is as follows:

Information will be communicated to the Shareholders through the Company's financial reports, circulars and announcements, annual general meetings and other general meetings that may be convened, as well as all the disclosures submitted to the Stock Exchange for publication.

As a channel to further promote effective communication, the Company maintains a website at as a communication platform with Shareholders and other stakeholders, where Company's announcements and press releases, business developments and operations, financial information, corporate governance report and other information are posted.

Shareholders are given sufficient notice of the general meetings, detailed procedures for conducting a poll was stated in circular to Shareholders accompanying the notice of the annual general meeting.

The Company has reviewed the implementation and effectiveness of this year's Shareholders' Communication Policy, including the steps taken at the general meeting, the handling of enquiries received (if any) and the availability of various channels of communication and engagement. The policy has been properly implemented and is considered to be effective.

The Company maintains a website at www.inkeverse.com as a communication platform with Shareholders and investors of the Company, where the financial information and other relevant information of the Company are available for public access.

CONSTITUTIONAL DOCUMENTS

In preparation for the listing of the Company, the Company has adopted the amended and restated Memorandum and Articles of Association (the "Articles"), which became effective on the listing date (i.e. 12 July 2018). The Articles was amended and approved by the Shareholders on 30 June 2022 for the purposes of, among others, (i) bringing the Articles in line with the amendments made to the Listing Rules, including the amendments made to Appendix A1 (formerly Appendix 3) to the Listing Rules which took effect on 1 January 2022; (ii) reflecting other relevant requirements under the applicable laws of the Cayman Islands; (iii) incorporating certain housekeeping amendments; (iv) updating or clarifying provisions as appropriate. For further details of the amendments, please refer to the announcement of the Company dated 26 April 2022. An up-to-date version of the Company's Memorandum and Articles of Association is also available on the websites of the Company and of the Stock Exchange.

Environmental, Social and Governance Report

I. ABOUT THE REPORT

This report includes the practices of sustainable development of the Company and is the fifth environmental, social and governance (the "ESG") report published by the Company. This report aims to disclose the Company's efforts in ESG aspects in 2024 to all stakeholders. This report is issued together with the annual report. In order to have comprehensive understanding of the development of the Company, readers are reminded to read this report in conjunction with the section headed "Corporate Governance Report" in the annual report.

This report was prepared under the Environmental, Social and Governance Reporting Guideline (the "ESG Guideline") set out in Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange. This report covered all the concerns of stakeholders and the business characteristics of the Company.

Unless otherwise specified, this report covers the period from 1 January 2024 to 31 December 2024, which is consistent with the financial year covered by this annual report.

II. CONCEPTS OF ESG MANAGEMENT AND IDENTIFICATION OF SUBSTANTIVE ISSUES

The Group is dedicated to becoming the most influential new social networking platform by developing and launching new products for live streaming, blind date and social networking. Adhering to its sustainable development values, the Company has positioned itself as a leading interactive entertainment and social networking platform through its business model which assumes responsibilities towards society and environment.

Organizational system and management system for social responsibility and environmental protection have been established based on the characteristics of the Company's business. In order to improve its performance in ESG, the Company continuously inspected and optimized these systems.

In 2024, the Company strengthened its overall environmental, social and governance management, clearly specified the duties of each department regarding ESG field, and promoted and integrated ESG concepts into the operation of the Company.

The Board has participated in the evaluation, prioritization and management of ESG-related issues, and evaluated the significance of ESG on a regular basis. The Board continued to monitor the ESG-related targets to improve the working environment and atmosphere of the Company and support the healthy development of businesses.

This report aims to reflect the ESG performance of the Group in terms of environment, working premise, supply chain management, product liabilities, community and other aspects in a balanced manner. The reporting scope of the ESG report is established on the basis of the criteria under our supervision throughout the Group's structure. Unless otherwise specified, this report covers the ESG performance of the businesses that are directly operated and managed by the Company.

For the preparation of this report, the Company has carried out significance assessment for topics and conducted questionnaire surveys to determine the scope of disclosure for each topic and the presentation through various performance indicators. Unless otherwise specified, the data disclosed in this report are compiled in accordance with the statistical rules consistent with the previous periods to ensure that the data are comparable from year to year.

The Company believes that the expectation and appeal of stakeholders are the inspiration of business development and the cornerstone of sustainable growth. The Company has established channels to communicate with its employees, suppliers, users, Shareholders and investors, regulators, and residents on places where it operates. The Company actively communicates with them and respond to their concerns in time. Channels of communication on discussing sustainable issues between the stakeholders and the Company include:

Stakeholders of the Company and their channels of communication

Stakeholder	Major channels of communication
Employees	Conferences, staff events, individual interviews/group discussions, real-time communication software
Suppliers	Telephone calls, personal visits, business conferences, real-time communication software
Users	Customer hotlines, online customer service, WeChat, Weibo, App
Shareholders and investors	Telephone calls, emails, conferences, announcements and circulars, "Investor Relationship" webpage on official website
Regulators	On-site duties, policy consultation, reporting, information disclosure
Residents on places where the Company operates	Charity activities, donation and community interaction

In 2024, through various channels of communication and combining with the business operation of the Company, the Company conducted questionnaire surveys under the leadership of the Board and identified the most concerned ESG issues among the stakeholders, including "emissions" and "training and development" and more important issues, including "employment", "labor standard" and "anti-corruption". Related issues included "supply chain management", "community investments", "health and safety" and "resources utilization".

III. ENVIRONMENTAL PROTECTION

Through referring to relevant international studies, and taking into account of our existing risk management policies, we assessed and identified the physical risks and transition risks related to climate change during the year. Those identified as high risks are policy and regulatory risk in terms of transition risks. We understand that more and more stakeholders put forward increasing demands for the enterprises on climate change. Failure to meet stakeholders' expectations may result jeopardizing our reputation, losing customers and even losing our competitive edge.

As a mobile interactive entertainment and social networking platform provider, Inkeverse is a non-productive enterprise and causes relatively less impact on the environment and resources. Power supply interruption, urban waterlogging and fire caused by inclement weather may have an impact on the Company's operation. We will continue to strengthen environmental risk prevention, take appropriate preventive measures and flexible work arrangements to reduce the impact of inclement weather on the Company's operation and personnel safety.

In 2024, in order to fulfill the responsibilities of environmental protection, the Company complied with the "Environmental Protection Law of the PRC (《中華人民共和國環境保護法》)", "Energy Conservation Law of the PRC (《中華人民共和國節約能源法》)" and other applicable laws and regulations. The Company specified its green office policy in the "Staff Handbook" to promote environmental protection concept and create a green working environment.

In 2024, the Company set up four environmental goals on energy conservation, water conservation, waste reduction, and greenhouse gas emission reduction and developed corresponding implementation paths. The aim is to minimize environmental impact and help China achieve the goal of "peaking carbon dioxide emissions before 2030 and achieving carbon neutrality before 2060".

Target Category	Overall Goal	Implementation Path
Energy Conservation	The per capita power consumption of employees in Beijing is reduced year by year, and finally tends to be stable.	1. Centralize work area offices to provide convenience for energy management and replace inefficient energy-use equipment with efficient ones. 2. Optimize utility time for office lighting in Beijing headquarters, synchronize property management according to seasonal changes, timely adjust opening/closing time of landscape and corridor lighting. 3. Optimize the air conditioning operation mode and operation duration and switch off the air conditioning on the floors without office personnel in the work area.
Water Resource Conservation	The per capita water consumption at work in Beijing has been reduced year by year and finally stabilized.	1. Use water conservation equipment. 2. Optimize water conservation facilities and install new water saving taps in certain offices.
Waste Emission Reduction	Inclined to green procurement, green procurement into supplier management. All offices within Beijing implement waste classification.	1. Harmless treatment of wastes shall be handed over to the supplier for closed-loop treatment. 2. Continue to promote waste classification.
Greenhouse Gas Emission Reduction	Inkeverse actively responds to the national dual-carbon target and conducts green operations.	Green offices and workplaces.

(I) Emissions

The Company understands the "Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes (《中華人民共和國固體廢物污染環境防治法》)" and other applicable laws and regulations and control the collection, storage and disposal of different kinds of wastes in order to minimize the pollution to or effect on the environment.

In order to further reduce emissions, the Company has established principles on waste recycle and disposal and partial re-use of wastes. The recycling measures of wastes mainly include:

- Used computers: The Company evaluates whether used computers have met the requirements of disposal.
- Some of the used computers will be used as charity donation. Other used computers will be collectively handled by third party asset suppliers. In 2024, there were 119 recycled computers, weighing 121 kilograms in total.
- Dry batteries: In order to promote the recycling of batteries, the Company replaces employees' used batteries with new batteries. In 2024, 7 kilograms of batteries were recycled.
- Waste papers: The Company introduced various online administration systems to facilitate e-approval for different procedures and reduce or remove paper-based approval. In addition, the Company promoted using both sides of papers by providing a recycling box under each printer to collect papers with single-side used, facilitating the recycling and re-use of papers.
- Plastic materials and cardboards: The Company provides separate recycle bins in office premises to recycle plastic materials and cardboards separately, preventing them from mixing with other domestic refuses. In 2024, there were 18 kilograms of plastic materials and 950 kilograms of cardboards recycled.
- Lead-acid batteries: Lead-acid batteries discarded from the Company's self-owned equipment rooms will be collectively disposed by suppliers.

Hazardous wastes used by the Group, which mainly include toner cartridges for printers and used batteries, are collected separately and handed over to a qualified third-party recycler for proper recycling.

Emissions

Indicators	2024 Figures
Total greenhouse gas ("GHG") emission (tCo_2e)	703.78
Direct GHG emissions (tonnes)	4.50
Indirect GHG emissions (tonnes)	699.82
Total GHG emission per capita (tonnes/person)	0.50
Total emission of non-hazardous waste (tonnes)	111.17
Total emission of hazardous waste (tonnes)	0.023
Total emission of non-hazardous waste per capita (tonnes/person)	0.08
Total emission of hazardous waste per capita (tonnes/person)	0.000016

Notes:

1 Due to the business nature of Inkeverse, its major gas emission was GHG emission derived from the use of electricity and fuels converted from fossil fuels.

2 GHGs include carbon dioxide, methane and nitrous oxide, which are mainly from purchased electricity and fuels. GHG is presented based on carbon dioxide equivalence and is measured based on the "Baseline Emission Factors for Regional Power Grids in China in 2019 (《2019中國區域電網基線排放因子》)" published by the National Development and Reform Commission of China and the "Guidelines for National GHGs in 2016 (《2016年IPCC國家溫室氣體列表指南》)" issued by the Intergovernmental Panel on Climate Change (the "IPCC").

3 Hazardous wastes involved in the operation of Inkeverse primarily include empty toner cartridges and ink boxes of printing devices and lead-acid batteries. Lead-acid batteries were within the warranty period and there were no disposal of lead-acid batteries during 2024.

4 Non-hazardous wastes involved in the operation of Inkeverse primarily include domestic refuses from office premises and disposed electronic devices. Domestic refuses from office premises were handled collectively by the management companies of the office premises and cannot be measured separately. The Company estimated such domestic refuses according to the "Coefficient Manual of the First National Census on Pollution Sources for the Pollutant Generation and Discharge from Urban Living (《第一次全國污染源普查城鎮生活源產排污系數手冊》)" issued by the State Council.

(II) Resources utilization

As a non-productive enterprise, resources consumed by Inkeverse primarily include electricity, water and vehicle fuels used in the course of business operation. Benefitted from the social development, the Company has not experienced any obstacles in obtaining appropriate water resources. In 2024, major measures of the Company for reducing resources consumption included:

- Vehicle management: The Company formulated the requirements on the use of vehicles to promote less frequent and efficient use of vehicles. In order to reduce fuel consumption, the Company limited the usage of fuels based on the actual usage of vehicles to control related expenses. It also adopted the rules of incentives for resource saving and fines for resource wasting.

- Lighting management: The Company established a guideline regarding the use and management of lighting.

- Water resources management: The daily water consumption of the Company mainly comprises tap water and reclaimed water. Reclaimed water is used for daily consumptions such as toilets and other scenarios attributable to property management. Tap water is mainly used for daily drinking by staff. The Company has installed water dispensers with multiple controls to prevent wastage of water.

- The Company's employees are reminded to turn off lights after the use of training rooms and conference rooms. They shall also ensure the lighting of office premises, corridors and washrooms are turned off when they leave.

- Air-conditioner management: The Company established a guideline regarding the use of air-conditioners. The "accountability system" has been adopted which designates persons responsible for recording the use of air-conditioners.

- The Company's employees are reminded to turn off air-conditioners immediately when they leave, and windows must be closed when air conditioners are on. When cooling, the set temperature of air conditioners shall not be less than 26ºC.

The Company established a designated energy-saving team to conduct regular checks on the usage of lighting and air-conditioners, and impose penalties on any irregularity.

In 2024, the main energy consumption and energy consumption per capita of the Company were as follows:

Energy and Resource Consumption Indicators	2024 Figures
Total energy consumption (MWh)	1,123.47
Energy consumption per capita (MWh/person)	0.79
Direct energy consumption (MWh)	18.38
Fuel consumption of business vehicles	18.38
Indirect energy consumption (MWh)	1,105.09
Electricity purchased	1,145.74
Total water consumption (tonnes)	2,548.32
Water consumption per capita (tonnes/person)	1.80

Notes:

1 Total energy consumption is calculated based on the consumption of electricity and petrol as well as the conversion factors specified in the "General Principles for Calculation of the Comprehensive Energy Consumption (GB/T 2589–2020) (《綜合能耗計算通則(GB/T 2589–2020)》)".

2 Electricity purchased include electricity purchased by offices in Beijing, Changsha and Guangzhou. Electricity expenses of leased data centers of Inkeverse were included in custody fees, so electricity consumption cannot be measured separately. Further discussion with regard to the measurement will be made with the custody firm in the future so that the data will be calculated once separate measurement is available.

3 Data for packaging materials was not applicable to Inkeverse.

IV. RESPONSIBILITIES OF EMPLOYEES

The Company's success depends on its ability to attract, retain and motivate qualified personnel. The Company complied with the "Labor Law of the PRC (《中華人民共和國勞動法》)" and other relevant laws and regulations on local social security and salary payment. The Company formulated "Human Resources Management System", which specifies regulations of recruitment and resignation of employees, working hours, remunerations and benefits, performance and promotion, health and safety, and training and development to protect the legitimate interests of its employees.

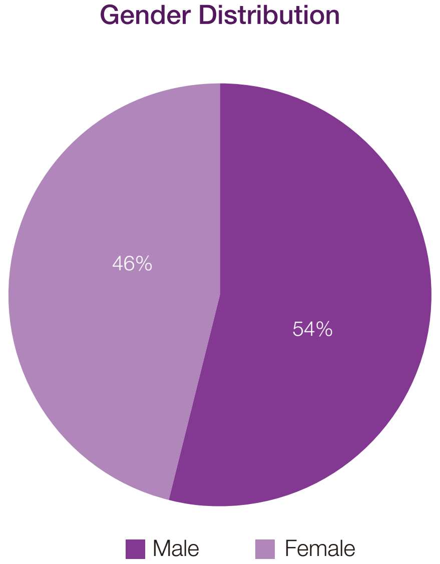
The Company also puts the occupational health and safety of employees in a prominent position, and abides by laws and regulations on occupational health and safety and fire safety in workplace such as the "Work Safety Law of the People's Republic of China (《中華人民共和國安全生產法》)" and the "Fire Control Law of the People's Republic of China (《中華人民共和國消防法》)", providing a variety of health and safety protection measures for employees, and ensuring the physical and mental health of all employees.

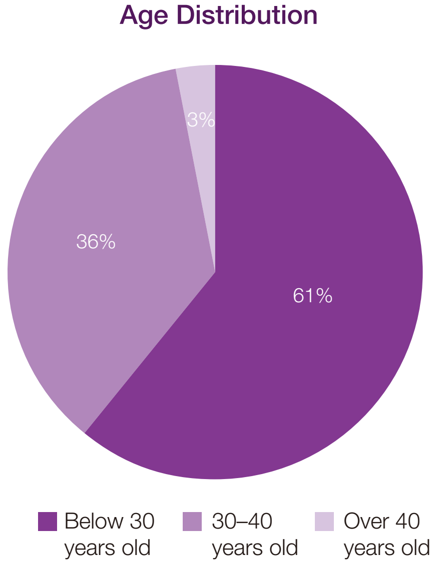
(I) Recruitment and Resignation

Inkeverse has strived to create a diversified and equal working environment without any discrimination in term of racial, sex, age or religion. Recruitment of employees is required to strictly comply with the internal standardized recruitment procedure which enable each applicant shall be treated equally. The Company uses various methods for its recruitment, including campus recruitment, online recruitment, internal recommendation and recruiting through headhunter firms or agents, to satisfy its demands for different types of talents.

The Company prohibits any child labor or forced labor. All candidates applying to a position in the Company are required to present their identity cards for inspection and ascertaining their identities, ages and validity of employment status. In the event that any irregularities in ages, identities and/or validities of employment status is subsequently found, employment with all such concerned candidates will be immediately terminated. During the Reporting Period, there was no non-compliance incidents relating to child labor and forced labor.

As at 31 December 2024, the Company had 1,416 employees who mainly located in Beijing, Changsha and Guangzhou.





Indicators		As of 31 December 2024
Total number of employees (Full-time)		1,416
Number of employees by rank	Management staff	55
	General staff	1,361
Number of employees by gender	Male	759
	Female	657
Number of employees by age	Under 30 years old	860
	30–40 years old	516
	Above 40 years old	40
Number of employees by region	Mainland China	1,416
	Hong Kong, Macau and Taiwan regions	2
Total employee turnover rate		32.86%
Employee turnover rate by gender	Male	37.80%
	Female	33.83%
Employee turnover rate by age	Under 30 years old	40.76%
	30–40 years old	22.19%
	Above 40 years old	11.64%
Employee turnover rate by region		33.30%
	Mainland China	33.84%
	Hong Kong, Macau and Taiwan regions	0.00%

Note:

1 Employee turnover rate = number of employees who left during the reporting year/(number of employees at the beginning of the reporting year+number of employees recruited during the reporting year).

(II) Management of Working Hours

The Company adopts regular and irregular working scheme based on the nature of different jobs. Employees who need to extend working hours due to special reason may report to the Company through the OA system. To protect the health of the employees, overtime working hours shall not be more than 3 hours per day and 36 hours per month. Overtime working hours shall be converted into employee's compensation or leave in accordance with the laws.

(III) Compensation and Benefits

Compensation of permanent employees of the Company consists of fixed wages, benefits and subsidies, and performance-based bonuses. The Company has established a compensation system based on positions and grades, which enables it to offer a relatively competitive and fair compensation package to its employees.

The Company has made contributions of "five social insurances and housing provident fund" for its employees in accordance with the laws and regulations of the PRC. The Company also provides additional benefits to its employees, including commercial insurance, allowances for communication, transportation and lunch, health checks, annual paid leaves, public welfare facilities and afternoon tea.

Case of employee's benefits: Staff quarters

In 2024, the Company leased 19 apartments near the office area in Changsha working area in order to ensure the safety and convenience of the Company's back-office officers accessing to and from their offices.

Each staff quarter accommodates 4 persons. The Company's staff quarters are clean and aesthetic, equipped with beds, air-conditioners, water heaters, washing machines and other living equipment. During 2024, the Company provided free accommodation to nearly 60 employees.

During holidays such as New Year, anniversary and Mid-Autumn Festival, the Company will distribute various customized gift boxes to all employees, including figures, umbrellas, cups, pillows, scarves and other customized gifts. Birthday blessings and gifts will be given to employees who have birthdays in that month. When employees enter a new stage of life (marriage, childbirth, etc.), the Company will prepare a large gift package for them to express condolences.

Case no. 1 of employee activities: International Working Women's Day special event

In order to pay tribute to the contributions of female employees in the workplace, the Company specially planned a theme salon event on International Working Women's Day. The office area was decorated with pink floral arrangements and ribbons, creating a romantic spring atmosphere. Creative and interactive sessions were set up in the event, including a story sharing session on "Career Highlight Moments", an experience of making everlasting flowers handicrafts and a teaching session on making modern Chinese-style brooches, so as to let every woman feel her self-worth through communication and creation. A dedicated manicure station and a professional photography area were set up onsite, complemented by an exquisite afternoon tea break, serving low-sugar cakes and pastries, fresh fruit and scented tea and milk tea beverages. The Company also prepared gift bags for all staff on March 8th. At the end of the event, a group photo was taken with all staff holding fresh flowers to capture the beautiful moment, demonstrating the warmth of the Company's care for the growth of female employees.

Case no. 2 of employee activities: Double Eleven bazaar for idle goods event

During the period of Double Eleven, the Company held a bazaar for idle goods event. Employees could participate either individually or as a team on behalf of the Company to sell their idle goods. Unlike previous internal-only events, other companies were invited to the event, which expanded the scope of coverage. In terms of cost control, the event made use of the Company's existing venues and leveraged free publicity through online channels, achieving zero-cost organization while generating additional revenue, and building a platform for the use of used goods. The event was very popular, with the number of participants and sales volume of goods far exceeding expectations. Employees not only disposed of idle goods, but also made new friends and gained a lot.

(IV) Assessment and Promotion

An internal performance management and assessment system has been established and a promotion policy has also been formulated.

The performance of the Company's employees is assessed in the manner of "Fairness, Openness, and Justice". The performance assessments of the Company's employees include the assessment of performance indicators and assessment of values. The performance targets of the Company's employees are set based on the strategies of the Company, the goals of department, and the duties of the employees in accordance with SMART concept, i.e. specific, measurable, attainable, realistic and time bound. The values of employees are assessed through case study. After assessment, the Company provides feedback to its employees and makes suggestions for improving and development, so as to assist the growth of employees.

The results of assessment will be mainly applied to employees' compensation and promotion. The Company offers performance-based incentives to its employees in all levels based on the completion of targets for the year, partition coefficients, and the results of employees' performance assessment, so as to reward the employees who made great contributions to the Company and maintain healthy internal competition and mechanism. Employees with consistent excellent results in performance assessment will take the pre-emptive opportunities in promotion when the criteria of promotion is fulfilled and will be eligible to be selected to serve in higher position.

(V) Health and Safety

As Inkeverse does not operate any production facilities, it is not exposed to any material risk relating to health and safety. In order to ensure the safety of employees at work and the safety of operation of the Company, Inkeverse regulates safety behaviors in its "Human Resources Management System (《人力資源管理制度》)".

The Company has placed a great emphasis on the health and safety of its employees. In order to create a healthy and comfortable working environment for its employees, the Company has fully implemented safety management and organized free body-check for its permanent employees every year.

In order to ensure the safety of workplace, all employees are required to enter the office premises with their staff cards or facial recognition using an access control machine. Visitors shall complete registration and be provided guest cards before accessing the office premises. All visitors shall be accompanied by a receptionist who shall be responsible for supervising the behaviors of the visitors in the office premises.

In the past three years (including the reporting year), the Company had no work-related death, nor was there any work-related delays due to work-related injuries, and the work-related death rate was 0%. In addition, in order to raise safety awareness of the Company's employees, the Company actively cooperated with the office premises to organize fire drills and other activities.

(VI) Training and Development

In order to expand the Company's talent team, strengthen the capability of talents in different levels and provide intellectual support to the sustainable development of the Company, Inkeverse has formulated effective and systematic talent training and development plans for its employees. The Company believes that its systematic training plans would assist its employees to master necessary professional skills and improve their professional ethics effectively.

The talent training and development schemes of Inkeverse comprise the following five schemes:

"**Young Eagle Program** (雛鷹計劃)": This is a training program for newly recruited graduates and aims to cultivate newly recruited graduates who are self-motivated, willing to learn, and aggressive, develop them as the backbone in technical and business departments, and identifies participants who have potential management talents;

"**Flying Eagle Program** (飛鷹計劃)": This is a training program for newly recruited employees and aims to introduce the Company's development history, strategic vision, cultural values, human resources, financial and technical system to those employees and accelerates the integration of those employees into the Company and its teams;

"**Great Eagle Program** (雄鷹計劃)": This is a training program for junior management members and aims to train junior management members who have certain working experience and potential, so as to consolidate the capability of management team of the Company;

"**Black Eagle Program** (黑鷹計劃)": This is a training program for mid-level management members who have the potential, so as to help them become talents to accomplish major tasks as leaders;

"**Golden Eagle Program** (金鷹計劃)": This is a training program for senior management members and cultivates them to become all-rounded talents and get well-prepared for the future development of the Company.

In 2024, the Company organized various training programs with an aggregate of over 2,377 attendants.

Indicators		As of 31 December 2024
Percentage of employees trained by gender	Male	84.02%
	Female	85.45%
Percentage of employees trained by management level	Management	91.96%
	Non-management	84.40%
Average training hours received by employees by gender	Male	10.10
	Female	10.02
Average training hours received by employees by management level	Management	11.12
	Non-management	10.09

Note: Training refers to face-to-face and online courses offered by the Company to its employees.

V. SUPPLY CHAIN MANAGEMENT

The Company's streamers and their agencies are major groups of the Company's suppliers, and they involve minimal environmental risk. Other than that, the Company's suppliers primarily included material suppliers and suppliers of other services.

(I) Content Verification of Live Streamers

The Company complies with the laws and regulations such as the "Administrative Provisions on Mobile Internet Applications Information Services (《移動互聯網應用程序信息服務管理規定》)" (the "APP Provisions"), the "Administrative Measures for Internet Information Services (《互聯網信息服務管理辦法》)", the "Interim Provisions on the Administration of Internet Culture (《互聯網文化管理暫行規定》)", the "Provisions on the Administration of Internet Live-Streaming Services (《互聯網直播服務管理規定》)", and the "Notice on Strengthening Work on Online Performance by the Ministry of Culture (《文化部關於加強網絡表演管理工作的通知》)" and verifies all contents published on the Company's platform. The Company is dedicated to provide customers with good user experience and complete products and services, and deliver the values of safety and health.

To ensure that the content and information in the Inkeverse platforms comply with the requirements of laws and regulations, the Company has established verification systems in respect of various items, including pop-up private messages, screen recording and sharing, short-video contents, screen contents, audio contents, icons, nicknames, signatures and occupations of users based on demand of screening and verification of numerous videos, audios and text information on the platform.

The Company has established a contingency mechanism in respect of content safety. The Company has formulated and implemented contingency plans for propagation stoppage, effect elimination, risk assessments and problem stemming. The Company has adopted technological measures to complement the manual verification. The Company has introduced more than four kinds of image recognition model for analysis and established a verification team of 226 members to carry out 24-hour verification to timely handle uncivilized and unlawful information, including various political interference, violence and terrorism, and pornography on the platforms and take further actions on irregular content providers.

In 2024, Inkeverse continuously optimized its contents safety management and established clean network interactive platforms. By considering the propagating features of irregular contents and their consequences, together with various factors such as live streaming scenarios, user ratings, and interactive atmosphere, the Company has continuously adjusted and refined the verification standard and formulated a number of handling measures. The Company has implemented differentiated monitoring and control measures by levels and areas so as to improve the monitoring of material contents and sensitive contents and to strengthen the preventive effects on irregular contents based on the frequency of irregularities, characteristics of irregular user groups and investigation and analysis of live streaming aspects. The Company reorganized the background of verification system to effectively enhance the stability of continuous operation and the scalability of new function algorithms. The Company introduced the cross-application algorithm to improve the recognition effect of illustration models to enhance the accuracy and efficiency of machine verification.

In addition, the Company set up a network safety security room in its office premise to facilitate the regular onsite inspection of regulatory authorities and the handling of any contingency incidents.

(II) Supplier Admission and Management

In respect of suppliers of materials and services, Inkeverse has formulated the "Procurement Management System (《採購管理制度》)" and the "Supplier Management System (《供應商管理制度》)" in accordance with the applicable laws and regulations, such as "The Bidding Law of the People's Republic of China (《中華人民共和國招標投標法》)", to standardize the supplier management. The Company has clearly specified the roles and duties of its staff in the processes of bidding and procurement and regulated the purchasing methods, categorized classification administrative measures, management of suppliers, management of contracts and documents, and verification of purchasing activities. The Company supervises all relevant staff to strictly abide by the procedures to ensure the smooth progress of the Company's procurement.

As of 31 December 2024, there was a total of 1,436 active suppliers on the supplier list of the Group.

When selecting suppliers, the Company usually seeks quotations from at least three suppliers and considers other factors such as environmentally-friendly materials, delivery time and strengths of the suppliers. The Company selects suppliers based on the principles of "openness, fairness, justice and democracy". The Company has formulated a detailed standard of admission of suppliers and carried out a comprehensive screening on their qualification. New suppliers are required to submit business licenses and account-opening licenses for verification with receiving information before being included in the list of suppliers of the Company. The Company uses scientific and quantified methods to assess suppliers on a regular basis and adopts corresponding punishment or termination measures against disqualified suppliers. We constantly strengthen the integrity governance of suppliers, carry out anti-corruption publicity for suppliers, and set up internal report email for issues related to supplier integrity to strictly ensure the legality and compliance of cooperative suppliers.

The Company also promotes the use of environmentally-friendly products. The Company avoids using disposable tableware and plastic products provided from suppliers and urges to replace such materials with more environmentally-friendly materials. Daily supervision is implemented by relevant departments, and the Company has established communication channels for prompt response.

The Company has established a supplier maintenance mechanism. The Company conducts visits or inspections with its suppliers through phone calls, onsite visits and large business conferences in order to enhance cooperation and keep abreast of the latest market information and product development trend.

Number of suppliers

Number of suppliers by region	As of 31 December 2024
Mainland China	1,409
Hong Kong, Macau and Taiwan region	27

Note: The number of suppliers represent the number of enterprises that are active suppliers on the supplier list (excluding streamers).

(III) Anti-Commercial Bribe

In order to promote the anti-corruption and anti-bribe in commercial activities and comply with the rules of fair competition, the Company has formulated the "Administrative Measures of Prevention of Commercial Bribe (《預防商業賄賂管理辦法》)" to supervise important aspects of its staff and related stakeholders, such as purchasing and sales.

The Company sets up and discloses its hotline and email for reporting of internal and external commercial bribe activities. The Company has designated that the Legal Department and the Financial Centre work jointly as a supervision and management department against corruption and commercial bribe and collect relevant information, receive relevant reports and carry out supervision, inspection and audit on all commercial acts of the Company.

In order to further strengthen the probity concept of the Company's customers and suppliers, it has requested all of its customers and suppliers who have economic activities with the Company to sign a "Commitment of Integrity and Honesty (《廉潔誠信承諾函》)" with it and urged them operating with honesty and integrity. For customers or suppliers who violate any provision in the commitment, the Company will terminate the cooperation with them and report the act of commercial bribe to judiciary authorities if necessary.

VI. PRODUCT LIABILITIES

People have natural demands for entertainment and companionship. The Company believes that interactive entertainment and social networking are an advanced way of online interaction to satisfy such demands. The Company is dedicated to providing a good user experience and focusing on the quality of its products and services. The Company has verified its products and services to ensure the compliance with the applicable laws and regulations.

In order to secure a good experience for Inkeverse community users and maintain the normal order of the platform, the Company has formulated the "Community Convention (《社區公約》)" based on applicable laws and regulations, such as the "Administrative Measures for the Security Protection of Computer Information Networks Linked to the Internet (《計算機信息網絡國際聯網安全保護管理辦法》)", the "Administrative Measures on Internet Information Services (《互聯網信息服務管理辦法》)", the "Decision on Security Protection of Internet by the Standing Committee of the NPC (《全國人民代表大會常務委員會關於維護互聯網安全的決定》)", the "Provisions for the Administration of Internet News Information Services (《互聯網新聞信息服務管理規定》)", the "Notice on strengthening Management of Online Performance by the Ministry of Culture (《文化部關於加強網絡表演管理工作的通知》)" and the "Notice on Strengthening the Online Live Streaming Services (《關於加強網絡視聽節目直播服務管理有關問題的通知》)" and signed the convention with its users. With an aim to create a fair, happy, free and healthy cyber community for Inkeverse users, the convention clearly specified the rights and responsibilities of Inkeverse users, regulates users' acts and imposes punishment measures on any infringement.

In addition, the Company focuses on user privacy, customer services, research and development of products, intellectual property rights, use of virtual currency and compliance of advertisements, and formulated internal management measures. During the Reporting Period, the Company had no product recalled due to safety and health reasons, and was not applicable to product recalls.

(I) User Privacy and Data Security

The Company has established and refined the protection mechanism of users' information in accordance with the relevant requirements of the "Provisions on the Administration of Mobile Internet Applications Information Services (《移動互聯網應用程序信息服務管理規定》)". The Company has obtained the consent of its users before it collects and use their private information. In addition, the Company guarantees the users' right to know and option during the installation or use of the application. The Company does not activate any function, such as collecting information of users' locations, reading their contacts, opening their cameras, and recording their audios without the prior consent of users. Also, the Company does not activate any other functions irrelevant to its services.

The Company has attached importance to the protection of users' privacy and included the protection of users' privacy into every aspect of its business operation. The Company has endeavored to minimize the influence to users' privacy in the ordinary course of business operation. During enrollment, the Company's employees shall enter into a confidential agreement with the Company to ensure stringent confidentiality of information of the Company and its customers. The Company has adopted different encryption technologies to encrypt sensitive information, such as users' phone numbers and identity cards so as to ensure its front-office staff not being able to directly obtain complete private information of its users. As for its customer service officers, the Company has limited their authorities on accessing its users' information and its front-line customer service officers unable to directly obtain private information of its users. The Company's customer service officers have to report the situation to their team leaders and let them handle if users' information is required. As for any enquiries of information of UID (user identifier), the Company shall request its users to provide such information and the use of such information will be subject to a qualification verification.

The Company has established a protection mechanism for data security and formulated and implemented contingency plans in respect of anti-hacker and anti-virus attacks, daily backups and other incidents. All users' data is encrypted and saved in the Company's internal servers protected by access control, and further backed up in its remote the Company's recovery system, so as to minimize the possibility of data loss. When transmitting data packs, the Company uses the free encryption protocol it developed, to minimize the risk of data hacking or hijacking. Once a hacking attack is detected, the Company's technical team will immediately coordinate with the local supporting staff of the relevant server provider to diagnose and solve the relevant technical problems.

In 2024, the Company had not experienced any material network disruptions or incidents of hacker attacks.

(II) Customer Services

In order to provide a better user experience and enhance its efficiency, Inkeverse has established the "Administration of Protocol of Business of Customer Services (《客服部業務流程制度》)" to clearly specify and standardize the treatments of different matters of customer services. The Company has established a number of communication channels with customers, including online and hotline customer services. The Company's customers can contact our online customer services through its WeChat official account, Inkeverse App or the Company's hotline. The Company shall answer and serve its customers in time and solve their problems by contacting relevant departments within specified period. Enquiries and complaints from the Company's customers, such as use of products, rules of activities and operation, can be effectively handled through its online customer service, hotline and complaint handling service.

As of 31 December 2024, the Company received 392 complaints regarding its products and services and the on-time processing rate within 24 hours was 98.91%.

(III) Product Research and Development

Inkeverse believes that whether to develop features, functions and services tailored to the needs of users is the key factor for the success of its business. The Company has complied with relevant regulations, such as the “Provisions on the Administration of Online Publishing Services (《網絡出版服務管理規定》)”, the “Notice on the Administration over Mobile Game Publishing Services (《關於移動遊戲出版服務管理的通知》)” to research and develop online products and services which are in compliance with such regulations. Products are inspected and rectified in strict compliance with laws and regulations before the launch. The Company develops new products and releases new versions of products quickly to satisfy the constantly changing user needs.

In 2024, the Company launched a number of innovative products to meet the interactive entertainment and social networking needs of various markets and user bases by products matrix.

(IV) Intellectual Property Rights

Inkeverse has complied with applicable laws and regulations, including the “Tort Law of the People’s Republic of China (《中華人民共和國民法典》)”, the “Patent Law of the People’s Republic of China (《中華人民共和國專利法》)”, the “Trademark Law of the People’s Republic of China (《中華人民共和國商標法》)” and the “Copyright Law of the People’s Republic of China (《中華人民共和國著作權法》)”. Inkeverse has also formulated the “Management System of Intellectual Property Rights (《知識產權管理制度》)” to regulate the management and processes related.

The Company protects its intellectual property rights from infringement through the intellectual property protection acts of the PRC and other jurisdictions. The Company also enters into confidentiality agreements with its partners to clarify the intellectual property protection liabilities. The Company respects intellectual property rights of other parties. The legal department of the Company, as the major department responsible for intellectual property rights management, manages and protects software copyrights, patents, trademarks and other intellectual property rights. It also conducts research and analysis on patent documents together with external patent agencies and related departments at the proposal stage of new technology of products to demonstrate the feasibility of patent application and to avoid repetitive research or infringement of intellectual property rights.

In addition, the Company has actively offered trainings related to intellectual property rights for its employees and partners so that they will understand and actively protect intellectual property rights of the Company. The Company clearly stated that its employees have the obligation to protect the intellectual property rights of the Company from infringement. The Company has set up internal and external intellectual property rights reporting mailboxes, and tracked and responded to any identified infringement of intellectual property rights. The Company has also offered incentive measures to encourage its employees to actively participate in product invention and innovation.

In 2024, the Company was not involved in any major claim or dispute relating to infringement of trademark, copyright or other intellectual property rights.

(V) Administration of Virtual Currency

Users can use virtual currency to purchase virtual items and services on Inkeverse's products. Inkeverse has strengthened the administration of virtual currency in accordance with the relevant provisions of the "Notice on Strengthening the Administration of Online Game Virtual Currency (《關於進一步加強網吧及網絡遊戲管理工作的通知》)".

The Company has established a comprehensive system for administrating virtual currency to record the users' usage of their virtual currencies. The system can provide accurate statistics of the change of virtual currency among the App products based on different categories, such as "adding value", "withdrawal", "rewarding" and "activities". Meanwhile, the Company has formulated a comprehensive internal control procedures to conduct regular assessment and review on the use and statistics of virtual currency in order to ensure the compliance and safety of the use of virtual currency, and prevent and minimize the economic risks of illegal access and inappropriate conduct.

(VI) Advertising Compliance

The Company has complied with the "Advertising Law of the People's Republic of China (《中華人民共和國廣告法》)", the "Regulation on Administration of Advertisements (《廣告管理條例》)", the "Interim Measures for the Administration of Internet Advertising (《互聯網廣告管理暫行辦法》)" and other applicable laws and regulations relating to advertisement. The Company has imposed strict regulations on marketing and advertisement strategies of the Company to ensure that contents are issued in accordance with laws and regulations to avoid any overstatement. In addition, the Company shall regulate and review the contents of its advertisements published on the platform to ensure that they are true and accurate and in compliance with relevant regulations.

VII. ANTI-FRAUD

In order to reduce the risk of the Company and regulate the operation, Inkeverse not only strictly complies with the requirements of anti-bribery and anti-corruption in regions where it operates, including the "Criminal Law of the People's Republic of China (《中華人民共和國刑法》)", the "Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》)", the "Anti-Money Laundering Law of the People's Republic of China (《中華人民共和國反洗錢法》)", but also has formulated the "Administrative Measures on Anti-fraud and Reporting Malpractices (《反舞弊及舞弊舉報管理辦法》)", fostering a culture of integrity and diligence to prevent any inappropriate conduct from harming the interest of the Company and its Shareholders.

The Company has established an organizational and management structure of anti-fraud, which is guided by the Audit Committee. The Company has set up a permanent internal control team to organize and carry out the duties of anti-fraud. The internal control team is responsible for regular assessments on the risk of fraud, handling fraud reported, conducting investigation, providing recommendations, and reporting to the management, the Audit Committee and the Board.

In order to build up an integrity value among its employees, the Company has clearly specified its punishment measures of corruption and frauds in the Staff Handbook. In addition, the Company has conducted anti-fraud training for Directors and all employees during the Reporting Period. The Company has carried out internal integrity propaganda and trainings on a regular basis to ensure that its employees and Directors understand the requirements of related laws and regulations and to help them identify and raise their awareness in relation to corruptions and frauds.

The Company has set up and announced the telephone hotlines and e-mail addresses which are available for reporting frauds. Moreover, the Company has designated officers to manage various reporting channels to ensure all complaints can be handled properly. The Company has encouraged its employees reporting frauds. In order to protect the interests and safety of the whistleblower, all processes (including acceptance and investigation) of fraud reporting are confidential. The Company will transfer any employee who committed a criminal offence to the judiciary authorities to pursue criminal responsibility. During the Reporting Period, the Company had no corruption lawsuit or non-compliance cases in relation to business under the laws and regulations in Hong Kong and Mainland China.

VIII. COMMUNITY INVESTMENT

Inkeverse emphasizes on building a harmonical relationship with the community and society, and actively identifies the charity needs of the community and society. The Company has engaged in charity activities through its "Live Streaming Plus" (直播+) model, and promoting its brand to spread the positive energy. The Company has focused on organizing and participating in charity activities for education, medical and poverty alleviation to fulfil its social responsibilities. Since 2017, the Company has successively organized various charity activities, including "Inkeverse Help-Out" (小映幫我), "Inkeverse Education Grant" (小映助學), "Inkeverse Reading" (小映讀書), "Inkeverse Singing" (小映唱歌) and "Inkeverse Bookshelf" (小映書櫃). The Company's live streaming technology built an open and transparent charity system for charity organizations or individuals, which terminated the "blind donation" and established a credible donation process.

Description of Certain Charity Projects

Name of Project	Content
Inkeverse Help-Out (小映幫我)	A charity project aimed in helping individuals or families with unexpected medical expenses or difficulties. Inkeverse makes the charity and donation procedures opener and more transparent.
Inkeverse Education Grant (小映助學)	A charity project aimed in providing financial aid to and easing financial pressures of high school graduates who have outstanding academic achievements and enrolled in universities but have financial difficulties on academic and living expenses.
Inkeverse Reading (小映讀書) Inkeverse Singing (小映唱歌)	A children care and development charity project, focused on the living and education conditions of left-behind children and children living in poverty areas, providing financial assistance to their expenses on education. Moreover, the project also aimed in providing mental health and emotion care for left-behind children and children living in poverty areas.
Inkeverse Bookshelf (小映書櫃)	The foundation of "Streaming Future Cultural Development Fund (直播未來文化發展基金)" with China Foundation for the Development of Social Culture (中華社會文化發展基金會). It advocates the circulation of knowledge in campuses and provides services for expansion of knowledge of primary and secondary school students.

In 2024, in addition to its existing charity projects such as “Inkeverse Education Grant” (小映助學), “Inkeverse Reading” (小映讀書), “Inkeverse Singing” (小映唱歌) and “Inkeverse Bookshelf” (小映書櫃), Inkeverse has launched nearly 1,000 playlets, of which more than 80 are hit playlets. At the same time, Inkeverse also tried to superimpose playlets and various industries for creation from the perspective of public welfare. For example, under the theme of “Travel with Playlets”, the playlets “Peach Blossom Begins to Bloom” (《桃花漫漫始盛開》) co-produced with Hunan Dangran Film Co., Ltd. (湖南當燃影業有限公司) is set in the Wuliu Lake and Peach Blossom Mountain archway of Taohuayuan Scenic Area in Changde City, Hunan Province, which tells a sweet love story about a screenwriter at a low point in life who returns to her hometown, Taohuayuan, and meets his lover, and shows colorful local folklore intangible cultural heritage and new style of rural revitalization.

Case no. 1 of public welfare activities: Climate protection charity livestream

As global climate change becomes increasingly severe, climate action has emerged as a consensus of the international community. As the promotion partner of 2024 China Climate Action Week, Inkeverse Group joined forces with the World Wide Fund for Nature (WWF) to launch a charity livestream activity themed on climate protection – Ying Le Climate Station. Inkeverse Group cooperated with the world climate public welfare organization to hold a live concert calling for climate protection, which invited more than 20 celebrity guests and high-quality streamers to participate in it, so as to call for climate protection. Since its establishment, Inkeverse Group has consistently prioritized the power of public welfare to fulfill its corporate social responsibility. This joint public welfare activity with WWF is not the first time that Inke APP has spoken out for the Earth. In March 2024, for the “Earth Hour” public welfare project, Inke APP also launched a special public welfare concert themed Inke Guanyin Live, which used the power of music to speak out for environmental protection. In the future, Inke APP will continue to join hands with more partners, consistently advocate a green and environmental lifestyle, and work together to contribute to the public welfare cause.

Case no. 2 of public welfare activities: Youth football competition

Inkeverse Group and the Criminal Investigation Bureau of the Ministry of Public Security held a youth football competition in Pu’an County, Guizhou Province, leveraging its own advantages in Internet resources and actively responding to the “School-Enterprise Pairing Support Project for Youth Football” in Pu’an County, Guizhou Province, and formulating more detailed, thoughtful and humane support measures to help the designated elementary school football team. Through the “Live Streaming +” approach, it promoted the development of the local youth football program education. For example, it helped cultivate the culture of the school football team, carry out a comprehensive new upgrade for the team members’ equipment and clothing, and redesign the team’s customized jerseys, protective gear and so on. Both the cultural items of the football team and the mascot of the school football competition were combined with the “Anti-Fraud Little Bear”, an anti-fraud cultural and creative IP, which recently created by Inkeverse.

Description of projects promoting positive energy

Name of Project	Content
"Anti-Fraud Youth of Whole Society in Action" publicity activity	In order to thoroughly implement the spirit of the important directives of General Secretary Xi Jinping, in accordance with the deployment requirements of the National Video Conference on Combating and Managing Telecom Network Fraud, as well as the Central Propaganda Department and the Ministry of Public Security for the "Nationwide Anti-Fraud in Action" centralized publicity month activities, on June 28, the Criminal Investigation Bureau of the Ministry of Public Security and the National Anti-Fraud Center held the "Anti-Fraud Youth of Whole Society in Action" publicity activity in Beijing. On the scene of the activity, Inkeverse Group elaborately set up anti-fraud publicity booth, and the public could learn anti-fraud general knowledge in a casual and pleasant atmosphere through a series of innovative interactive fun games. The staff of Inkeverse also prepared a wealth of the Group's peripheral gifts, including anti-fraud cultural and creative fans, Inkeverse blind box, umbrellas, school bags, which were highly popular among the public.

The above public welfare projects with positive energy are a small step towards actively fulfilling the Group's social responsibilities. In the future, relying on its own professional technology and platform traffic, the Group will also conduct a series of explorations in rural development, public welfare digitization and other fields, creating industrial value with the power of science and technology, and empowering social construction with the heart of public welfare.

Independent Auditor's Report

To the Shareholders of Inkeverse Group Limited

(incorporated in the Cayman Islands with limited liability)

Opinion

What we have audited

The consolidated financial statements of Inkeverse Group Limited (the "Company") and its subsidiaries (the "Group"), which are set out on pages 79 to 172, comprise:

- the consolidated balance sheet as at 31 December 2024;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

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

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

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key Audit Matters

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

The key audit matter identified in our audit is related to revenue recognition of value added service and entertainment content service business.

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue recognition of value added service and entertainment content service business Refer to Note 4.2(a) and Note 6 to the consolidated financial statements. Revenue from value added service business for the year ended 31 December 2024 amounted to RMB5,037.7 million which represented 74% of the total revenues of the Group, deriving from Inke App and other live streaming Apps. Revenue from entertainment content service business amounted to RMB1,313.3 million which represented 19% of the total revenues of the Group, for the year ended 31 December 2024, deriving from mini drama series of mini programs at relevant platforms. The revenue from value added service is generally recognized when the virtual currencies, consumable virtual items or services are consumed. The consumable virtual items or services can be purchased using virtual currency sold by the Group. If the virtual currency is used to purchase virtual services over an extended period of time, the revenue is recognized rateably over the beneficial period. The revenue from entertainment content service is generally recognized when users consume virtual currencies. Users purchase virtual currency on the short video platform, which can be used to unlock episodes or purchase membership privileges to watch short videos. If the virtual currency is used to unlock episodes, the content service revenue is recognized when the virtual currency is consumed. If the virtual currency is used to purchase membership privileges over an extended period of time, the revenue is recognized rateably over the beneficial period. We focused on this area as significant efforts were spent on auditing the accuracy of revenue recognized from live streaming platforms and mini program due to the magnitude of the revenue amount and the significant volume of revenue transactions generated from the application systems.	Our procedures in relation to the revenue recognition from value added service and entertainment content service included: • We tested the general control environment of the information technology systems in which the virtual currency was sold, consumed and membership privileges were subscribed and consumed; • We understood and evaluated the design effectiveness of internal controls in relation to revenue recognition from value added service and entertainment content service; • We evaluated the design and operating effectiveness of the system automated controls, including checking the top-up and consumption of virtual currencies, and amortization of virtual items or membership privileges in accordance with a pre-set system logic that we separately tested; • We compared the total amount of cash collections recorded in the general ledger with cash collections recorded in the application systems and cash collections from the third parties. We also tested, on a sample basis, the amount and the timing of cash collections by checking to the cash receipts; • By using computer-assisted audit techniques, we tested the mathematical accuracy and the completeness of the system generated reports that summarize the key inputs (including cash collections, quantities of virtual currency additions and consumptions that we tested as mentioned above) for calculating monthly revenue. We also recalculated the revenue recognition based on the inputs provided by the above reports to test the accuracy of revenue recognized. Based on the procedures performed, we found the recorded revenue of value added service and entertainment content service business supported by the available evidence.

Other Information

The directors of the Company are responsible for the other information. The other information comprises all of the information included in Inkeverse Group Limited 2024 Annual Report (the "annual report") (but does not include the consolidated financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

When we read the other information to be included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to Audit Committee and take appropriate action considering our legal rights and obligations.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is NG Tsun.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 28 March 2025

Consolidated Statement of Comprehensive Income

		Year ended 31 December	
		2024	2023
	Notes	**RMB'000**	RMB'000
Revenue	6	**6,850,721**	6,844,788
Cost of sales	7	**(3,508,024)**	(4,011,689)
Gross profit		**3,342,697**	2,833,099
Selling and marketing expenses	7	**(2,535,615)**	(2,073,756)
Administrative expenses	7	**(263,383)**	(227,269)
Research and development expenses	7	**(202,234)**	(271,956)
Net impairment losses on financial assets	3.1(b), 7	**(8,563)**	(13,062)
Other income	10	**16,859**	38,555
Other (losses)/gains – net	9	**(129,470)**	138,549
Operating profit		**220,291**	424,160
Finance income		**46,034**	38,738
Finance costs		**(3,546)**	(3,260)
Finance income – net	11	**42,488**	35,478
Share of net (loss)/profit of investments accounted for using the equity method		**(14,490)**	20,909
Profit before income tax		**248,289**	480,547
Income tax expense	13	**(31,647)**	(79,989)
Profit for the year		**216,642**	400,558
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Currency translation differences		**(2,889)**	(4,569)
Items that will not be reclassified to profit or loss:			
Currency translation differences		**13,535**	15,876
Other comprehensive income for the year, net of tax	27	**10,646**	11,307
Total comprehensive income for the year		**227,288**	411,865

Consolidated Statement of Comprehensive Income (Continued)

		Year ended 31 December	
		2024	2023
	Notes	**RMB'000**	RMB'000
Profit attributable to:			
Owners of the Company		**180,312**	386,529
Non-controlling interests		**36,330**	14,029
Profit for the year		**216,642**	400,558
Total comprehensive income attributable to:			
Owners of the Company		**190,958**	397,836
Non-controlling interests		**36,330**	14,029
Total comprehensive income for the year		**227,288**	411,865
Earnings per share attributable to the ordinary equity holders of the Company (expressed in RMB per share):			
Basic earnings per share	14	**0.10**	0.21
Diluted earnings per share	14	**0.10**	0.21

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet

		As of 31 December	
		2024	2023
	Notes	**RMB'000**	RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	15	**91,394**	73,869
Right-of-use assets	16	**30,678**	30,585
Investment properties	17	**128,884**	203,059
Intangible assets	18	**214,243**	56,585
Deferred tax assets	31	**99,539**	65,798
Investments accounted for using the equity method	19	**495,880**	502,937
Financial assets at fair value through profit or loss	21	**194,520**	198,643
Other receivables, deposits and other assets	23	**7,276**	10,266
Term deposits	22	**345,000**	25,000
Total non-current assets		**1,607,414**	1,166,742
Current assets			
Inventories		**10,907**	10,243
Other receivables, prepayment, deposits and other assets	23	**523,866**	567,280
Trade receivables	24	**148,114**	56,945
Financial assets at fair value through profit or loss	21	**564,849**	725,502
Term deposits	22	**201,884**	198,316
Restricted cash	25(b)	**319,605**	58,391
Cash and cash equivalents	25(a)	**2,195,694**	2,362,290
Total current assets		**3,964,919**	3,978,967
Total assets		**5,572,333**	5,145,709
EQUITY			
Equity attributable to the shareholders of the Company			
Share capital	26	**12,797**	12,803
Other reserves	27	**3,973,595**	4,022,026
Accumulated profit		**411,616**	231,304
		4,398,008	4,266,133
Non-controlling interests		**48,258**	15,710
Total equity		**4,446,266**	4,281,843

	Notes	As of 31 December 2024 RMB'000	 2023 RMB'000
LIABILITIES			
Non-current liabilities			
Lease liabilities	16	**17,169**	8,700
Deferred tax liabilities	31	**30,193**	36,006
Total non-current liabilities		**47,362**	44,706
Current liabilities			
Trade and notes payables	29	**745,364**	508,366
Other payables and accruals	30	**113,207**	162,475
Contract liabilities	32	**84,091**	93,041
Financial liabilities at fair value through profit and loss	21	**90,574**	–
Current income tax liabilities		**30,106**	35,368
Lease liabilities	16	**12,553**	17,502
Provisions	33	**2,810**	2,408
Total current liabilities		**1,078,705**	819,160
Total liabilities		**1,126,067**	863,866
Total equity and liabilities		**5,572,333**	5,145,709

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

The financial statements on pages 79 to 172 were approved by the Board of Directors on 28 March 2025 and were signed on its behalf.

Feng Yousheng
Director

Hou Guangling
Director

Consolidated Statement of Changes in Equity

	Notes	Share capital RMB'000	Other reserves RMB'000	Accumulated profit RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total RMB'000
		Attributable to the owners of the Company					
Balance as of 31 December 2023		12,803	4,022,026	231,304	4,266,133	15,710	4,281,843
Comprehensive income							
Profit for the year		–	–	180,312	180,312	36,330	216,642
Currency translation differences	27	–	10,646	–	10,646	–	10,646
Total comprehensive income for the year		–	10,646	180,312	190,958	36,330	227,288
Total transactions with owners in their capacity as owners							
Share-based compensation expenses	28(c)	–	17,751	–	17,751	–	17,751
Cancellation of shares	26	(6)	6	–	–	–	–
Non-controlling interests recognised in acquisition of subsidiaries		–	–	–	–	(731)	(731)
Acquisition of non-controlling interests in subsidiaries		–	(3,949)	–	(3,949)	3,949	–
Dividends distributed to non-controlling interest		–	–	–	–	(7,000)	(7,000)
Dividends paid to owners of the Company	34	–	(72,885)	–	(72,885)	–	(72,885)
Total transactions with owners in their capacity as owners		(6)	(59,077)	–	(59,083)	(3,782)	(62,865)
Balance as of 31 December 2024		12,797	3,973,595	411,616	4,398,008	48,258	4,446,266

Consolidated Statement of Changes in Equity (Continued)

	Notes	Share capital RMB'000	Other reserves RMB'000	Accumulated (deficits)/ profit RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total RMB'000
		Attributable to the owners of the Company					
Balance as of 31 December 2022		12,803	3,996,074	(155,225)	3,853,652	(1,210)	3,852,442
Comprehensive income							
Profit for the year		–	–	386,529	386,529	14,029	400,558
Currency translation differences	27	–	11,307	–	11,307	–	11,307
Total comprehensive income for the year		–	11,307	386,529	397,836	14,029	411,865
Total transactions with owners in their capacity as owners							
Share-based compensation expenses	28(c)	–	25,416	–	25,416	–	25,416
Shares repurchased	26(i)	–	(11,630)	–	(11,630)	–	(11,630)
Capital injection from non-controlling interests		–	–	–	–	4,750	4,750
Acquisition of non-controlling interests in subsidiaries		–	859	–	859	(1,859)	(1,000)
Total transactions with owners in their capacity as owners		–	14,645	–	14,645	2,891	17,536
Balance as of 31 December 2023		12,803	4,022,026	231,304	4,266,133	15,710	4,281,843

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

	Notes	Year ended 31 December 2024 RMB'000	2023 RMB'000
Cash flows from operating activities			
Cash generated from operations	35(a)	**416,097**	429,131
Interest received		**44,728**	30,538
Income tax paid		**(88,939)**	(52,712)
Net cash inflow from operating activities		**371,886**	406,957
Cash flows from investing activities			
Cash acquired/(payments) for acquisition of subsidiaries, net of cash acquired		**212**	(8,771)
Payments for property, plant and equipment	15	**(10,078)**	(15,503)
Payments for investment properties	17	**(3,549)**	(24,193)
Payments for intangible assets	18	**(315,094)**	(44,940)
Payments for investments in associates and joint ventures	19	**(8,337)**	(45,990)
Payments for investments in non-current financial assets at fair value though profit or loss		**(3,000)**	(7,328)
Payments for short-term deposits	22	**(201,884)**	(198,316)
Payments for long-term deposits	22	**(320,000)**	(25,000)
Payments for investments in current financial assets at fair value through profit or loss		**(4,819,782)**	(2,139,945)
Payments for acquisition of non-controlling interests in a subsidiary		**–**	(1,000)
Loan to third parties		**(8,920)**	(9,439)
Loan to related parties		**(14,137)**	(37,790)
Proceeds from disposal of property, plant and equipment		**562**	3,130
Proceeds from disposal of intangible assets		**8,360**	3,641
Proceeds from disposal of non-current financial assets at fair value through profit or loss		**996**	2,000
Proceeds from disposal of investments in associates and joint ventures		**266**	20,043
Proceeds from disposal of investments in current financial instruments at fair value through profit or loss		**5,038,755**	2,837,631
Proceeds from disposal of short-term deposits		**198,316**	–
Repayment of loan from third parties		**3,841**	5,426
Repayment of loan from related parties		**15,119**	27,032
Net cash outflow due to disposal of subsidiaries		**(73)**	(5,536)
Dividends received from joint ventures and associates		**790**	19,130
Net cash (outflow)/inflow from investing activities		**(437,637)**	354,282

Consolidated Statement of Cash Flows (Continued)

	Notes	Year ended 31 December 2024 RMB'000	2023 RMB'000
Cash flows from financing activities			
Acquisition of treasury shares	27	**–**	(11,630)
Payments of lease liabilities		**(22,327)**	(20,453)
Capital contribution from non-controlling interests		**–**	4,750
Proceeds from borrowings		**–**	275
Repayments of borrowings		**–**	(40)
Dividends paid to non-controlling interests in subsidiaries		**(7,000)**	–
Dividends paid to owners of the Company	34	**(72,885)**	–
Net cash outflow from financing activities		**(102,212)**	(27,098)
Net (decrease)/increase in cash and cash equivalents		**(167,963)**	734,141
Cash and cash equivalents at beginning of the financial year		**2,362,290**	1,634,708
Effects of exchange rate changes on cash and cash equivalents		**1,367**	(6,559)
Cash and cash equivalents at end of year	25	**2,195,694**	2,362,290

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

1. General information

Inkeverse Group Limited (the "Company"), previously known as Inke Limited, and its subsidiaries (together referred as to the "Group") are principally engaged in value-added service and entertainment content service through operating the matrix of online platforms and providing an internet infrastructure to enable the users to interact through the platforms in the People's Republic of China (the "PRC" or "China").

The Company is a limited liability company incorporated in the Cayman Islands. The address of the Company's registered office is PO Box 309, Ugland House, Grand Cayman, KY1-1104, the Cayman Islands.

The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

These consolidated financial statements are presented in Renminbi ("RMB"), unless otherwise stated.

2. Basis of preparation

(a) Compliance with IFRS Accounting Standards and the disclosure requirements of HKCO

The consolidated financial statements of the Group has been prepared in accordance with all applicable International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the disclosure requirements of the Hong Kong Companies Ordinance ("HKCO") (Cap. 622).

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

(b) Historical cost convention

The consolidated financial statements of the Group have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss and investment property.

(c) New and amended standards adopted by the Group

A number of new or amended standards became applicable for the annual reporting period commencing 1 January 2024. The Group did not change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

(d) New and amended standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group.

2. Basis of preparation (continued)

(d) New and amended standards and interpretations not yet adopted (continued)

The following new and amended standards and annual improvements have been published (which may be applicable to the Group) but not mandatory for the reporting period ended on 31 December 2024 and have not been early adopted by the Group:

	New standards, amendments and annual improvements	Effective for annual periods beginning on or after
Amendments to IAS 21	Lack of Exchangeability	1 January 2025
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to IFRS Accounting Standards	Annual Improvement to IFRS Accounting Standards – Volume 11	1 January 2026
Amendments to IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027

These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

3. Financial risk management

3.1 Financial risk factors

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

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Group entities' functional currency. The functional currency of the Company is United States dollars ("USD") and the subsidiaries operated in the mainland China and Hong Kong is RMB and Hong Kong dollars ("HKD")/USD, respectively. The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures and tries to minimize these exposures through natural hedges, wherever possible, and may enter into forward foreign exchange contracts, when necessary.

The Group is primarily exposed to foreign exchange risk arising from foreign currency transactions. Therefore, foreign exchange risk primarily arose from recognised assets and liabilities in the Group's mainland China and Hong Kong subsidiaries when receiving or to receive foreign currencies from, or paying or pay foreign currencies to overseas business partners. Management considers that the business is not exposed to any significant foreign exchange risk as there are no significant financial assets or liabilities of the Group denominated in the currencies other than the respective functional currencies of the Group's entities.

3. Financial risk management (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(ii) Cash flow and fair value interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates and the Group has no significant interest-bearing assets except for those investment in structured deposits and wealth management products which are classified as financial assets at fair value through profit or loss ("FVPL"), term deposits, restricted cash, cash and cash equivalents and details of which have been disclosed in Notes 21, 22 and 25, respectively.

The Group's interest rate risk primarily arose from short-term bank deposits and cash and cash equivalents. Those carried at floating rates expose the Group to cash flow interest rate risk whereas those carried at fixed rates expose the Group to fair value interest rate risk.

The Group regularly monitors its interest rate risk to ensure there is no undue exposure to significant interest rate movements.

(iii) Price risk

Exposure

The Group's exposure to equity securities and derivative options price risk arises from investments held by the Group and classified in the consolidated balance sheet as at fair value through profit or loss (Note 21).

To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

(b) Credit risk

Credit risk arises from cash and cash equivalents, contractual cash flows of debt instruments carried at amortised cost, at fair value through other comprehensive income ("FVOCI"), at FVPL, and term deposits with banks and financial institutions, as well as credit exposures to outstanding receivables.

The Group is exposed to credit risk primarily in relation to its cash and cash equivalent and restricted cash placed with banks, term deposits with banks and financial institutions, investment in structured deposits and wealth management products which are classified as financial assets at FVPL, as well as trade receivables, deposits and other receivables. The carrying amount of each class of the above financial assets represents the Group's maximum exposure to credit risk in relation to the corresponding class of financial assets.

3. Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(i) Risk management

To manage risk arising from cash and cash equivalents, term deposits, restricted cash, investment in structured deposits and wealth management products, the Group mainly transacts with state-owned or reputable financial institutions in the PRC and reputable international financial institutions outside of mainland China. There has been no recent history of default in relation to these financial institutions.

To manage risk arising from trade receivables, the Group has policies in place to ensure that credit terms are made to counterparties with an appropriate credit history and the management performs ongoing credit evaluations of its counterparties. The credit quality of these customers is assessed, which takes into account their financial position, past experience and other factors. In view of the sound collection history of receivables due from them, management believes that the credit risk inherent in the Group's outstanding trade receivable balances due from them is not significant.

The Group, generated revenue mainly through operating online platforms and providing an internet infrastructure to enable the users to interact through the platforms, has a highly diversified customer base, without any single customer contributing material revenue. The Group's trade receivables at the end of each reporting period were mainly due from certain online payment operators, virtual currency agent and content distribution partners in China. If the relationship with the online payment operators, virtual currency agent and content distribution partners are terminated or scaled-back; or if the online payment operators, virtual currency agent and content distribution partners alter the co-operative arrangements; or if they experience financial difficulties in paying the Group, the Group's corresponding trade receivables might be adversely affected in terms of recoverability. To manage this risk, the Group maintains frequent communications with the online payment operators, virtual currency agent and content distribution partners to ensure effective credit control. In view of the history of cooperation with the online payment operators, virtual currency agent and content distribution partners and the sound collection history of receivables due from them, the directors of the Company believe that the credit risk inherent in the Group's outstanding trade receivables due from the online payment operators, virtual currency agent and content distribution partners is low.

3. Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(ii) Impairment of financial assets

The Group has two types of financial assets that are subject to the expected credit loss model:

- trade receivables
- deposits and other receivables

While term deposits, restricted cash, cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Trade receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

The expected loss rates are based on the payment profiles of sales over a period of 12 month before 31 December 2024 or 1 January 2024 respectively and the corresponding historical credit loss experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

On that basis, the loss allowance as of 31 December 2024 and 31 December 2023 was determined as follows:

	Current RMB'000	More than 30 days past due RMB'000	More than 60 days past due RMB'000	More than 90 days past due RMB'000	Total RMB'000
As of 31 December 2024					
Expected loss rate	**2.34%**	**1.21%**	**1.52%**	**46.12%**	**3.00%**
Gross carrying amount					
– trade receivables	**135,195**	**8,522**	**6,325**	**2,652**	**152,694**
Loss allowance	**3,158**	**103**	**96**	**1,223**	**4,580**
As of 31 December 2023					
Expected loss rate	2.57%	2.67%	1.25%	59.19%	3.93%
Gross carrying amount					
– trade receivables	56,054	898	877	1,448	59,277
Loss allowance	1,440	24	11	857	2,332

3. Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(ii) Impairment of financial assets (continued)

Trade receivables (continued)

The loss allowances for trade receivables as of 31 December reconcile to the opening loss allowances as follows:

	Loss allowances for trade receivables	
	2024	2023
	RMB'000	RMB'000
Opening balance as of 1 January	**2,332**	2,407
Unused amount reversed	**(26)**	(39)
Increase in loss allowance recognised in profit or loss during the year	**2,274**	3
Written off during the year	**–**	(39)
Closing balance as of 31 December	**4,580**	2,332

Trade receivables are written off where there is no reasonable expectation of recovery. The indicator that there is no reasonable expectation of recovery is the failure of a debtor to engage in a repayment plan with the Group.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Deposits and other receivables

The management of the Group makes periodic collective assessments as well as individual assessment on the recoverability of deposits and other receivables based on historical settlement records and past experiences looking forward. The Group measures credit risk using expected credit loss under IFRS 9.

Deposits and other receivables that are not credit-impaired on initial recognition are classified in "Stage 1" and have their credit risk continuously monitored by the Group. The expected credit loss is measured on a 12-month basis.

3. Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(ii) Impairment of financial assets (continued)

Deposits and other receivables (continued)
If a significant increase in credit risk (specifically, when the debtor is more than 30 days past due on its contractual payments) since initial recognition is identified, the financial instrument is moved to "Stage 2" but is not yet deemed to be credit-impaired. The expected credit loss is measured on lifetime basis.

If the financial instrument is credit-impaired (specifically, when the debtor is more than 90 days past due on its contractual payments), the financial instrument is then moved to "Stage 3". The expected credit loss is measured on lifetime basis.

In view of the history of cooperation with the debtors and collection from them, deposits and other receivables of approximately RMB170,150,000 are classified in Stage 1 as of 31 December 2024 (2023: RMB167,260,000) and the credit risk inherent in these other receivables is not significant. The average loss rate of 17.34% was applied as at the 31 December 2024 (2023: 17.61%).

For the remaining deposits and other receivables of approximately RMB45,047,000 as of 31 December 2024 (2023: RMB44,763,000), it was classified in Stage 3 and the loss allowance associated with these deposits and other receivables was approximately RMB45,047,000 (2023: RMB44,763,000) as of 31 December 2024.

The loss allowance for other financial assets at amortised cost as of 31 December reconciles to the opening loss allowance as follows:

	Due from related parties RMB'000	Other receivables RMB'000	Total RMB'000
Closing loss allowance as of 31 December 2022	31,281	30,231	61,512
Increase in the allowance recognised in profit or loss during the year	11,922	1,137	13,059
Written off during the year	–	(361)	(361)
Closing loss allowance as of 31 December 2023	43,203	31,007	74,210
(Decrease)/increase in the allowance recognised in profit or loss during the year	**(88)**	**6,377**	**6,289**
Written off during the year	**–**	**(5,951)**	**(5,951)**
Closing loss allowance as of 31 December 2024	**43,115**	**31,433**	**74,548**

3. Financial risk management (continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk

The Group aims to maintain sufficient cash and cash equivalents and marketable securities. Due to the dynamic nature of the underlying businesses, the Group maintains flexibility in funding by maintaining adequate cash and cash equivalents.

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

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total contractual cash flows RMB'000	Carrying amount RMB'000
As of 31 December 2024						
Trade and notes payables	**745,364**	**–**	**–**	**–**	**745,364**	**745,364**
Financial liabilities at fair value through profit and loss	**90,574**	**–**	**–**	**–**	**90,574**	**90,574**
Other payables and accruals (excluding salaries and welfare payables and other tax payable)	**29,132**	**–**	**–**	**–**	**29,132**	**29,132**
Lease liabilities	**13,450**	**12,287**	**5,451**	**–**	**31,188**	**29,722**
	878,520	**12,287**	**5,451**	**–**	**896,258**	**894,792**
As of 31 December 2023						
Trade and notes payables	508,366	–	–	–	508,366	508,366
Other payables and accruals (excluding salaries and welfare payables and other tax payable)	34,839	–	–	–	34,839	34,839
Lease liabilities	18,260	8,289	752	–	27,301	26,202
	561,465	8,289	752	–	570,506	569,407

3. Financial risk management (continued)

3.2 Capital management

(a) Risk management

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

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

The Group monitors capital on basis of the gearing ratio. This ratio is calculated as total liabilities divided by total equity. As of 31 December 2024 and 2023, the Group has a net cash position. If the gearing ratio is over 100%, the management of the Group would take appropriate actions to better manage the Company's capital.

3.3 Fair value estimate

(a) Financial assets and liabilities

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets and liabilities held by the Group is the current bid price. The quoted market price already incorporates the market's assumptions with respect to changes in economic climate such as rising interest rates and inflation, as well as changes due to Environmental, Social and Governance ("ESG") risk. These instruments are included in Level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. This is the case for unlisted equity securities and for instruments where ESG risk gives rise to a significant unobservable adjustment.

3. Financial risk management (continued)

3.3 Fair value estimate (continued)

(a) Financial assets and liabilities (continued)

(i) Fair value hierarchy (continued)

The following table presents the Group's financial assets and liabilities that are measured at fair value as of 31 December 2024 and 2023:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As of 31 December 2024				
Assets				
Financial assets at FVPL	**302,439**	**147,410**	**309,520**	**759,369**
Liabilities				
Financial liabilities at FVPL	**90,574**	**–**	**–**	**90,574**

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As of 31 December 2023				
Assets				
Financial assets at FVPL	130,663	543,227	250,255	924,145
Liabilities				
Financial liabilities at FVPL	–	–	–	–

3. Financial risk management (continued)

3.3 Fair value estimate (continued)

(a) Financial assets and liabilities (continued)

(ii) Valuation techniques used to determine fair values

Special valuation techniques used to value financial instruments include:

- for wealth management products and structured deposits – income approach to use a discounted cash flow analysis with an expected rate of return, and

- for equity interests with preferred rights of certain private companies – market approach.

(iii) Fair value measurements using significant unobservable inputs (Level 3)

The following table presents the changes in Level 3 items of financial instruments with preferred rights and financial assets at FVPL for the years ended 31 December 2024 and 2023:

	Assets	
	Financial assets at FVPL – Current RMB'000	Financial assets at FVPL – Non-current RMB'000
As of 1 January 2023	–	155,367
Additions	194,320	7,328
Disposals	(143,733)	(2,000)
Change in fair value*	1,025	37,948
As of 31 December 2023	51,612	198,643
As of 1 January 2024	**51,612**	**198,643**
Additions	**189,500**	**3,000**
Disposals	**(128,322)**	**(996)**
Change in fair value*	**2,210**	**(6,127)**
As of 31 December 2024	**115,000**	**194,520**
* Includes unrealised gain/(loss) recognised in profit or loss attributable to balances held at the end of the reporting period		
2023	112	37,948
2024	**–**	**(6,127)**

3. Financial risk management (continued)

3.3 Fair value estimate (continued)

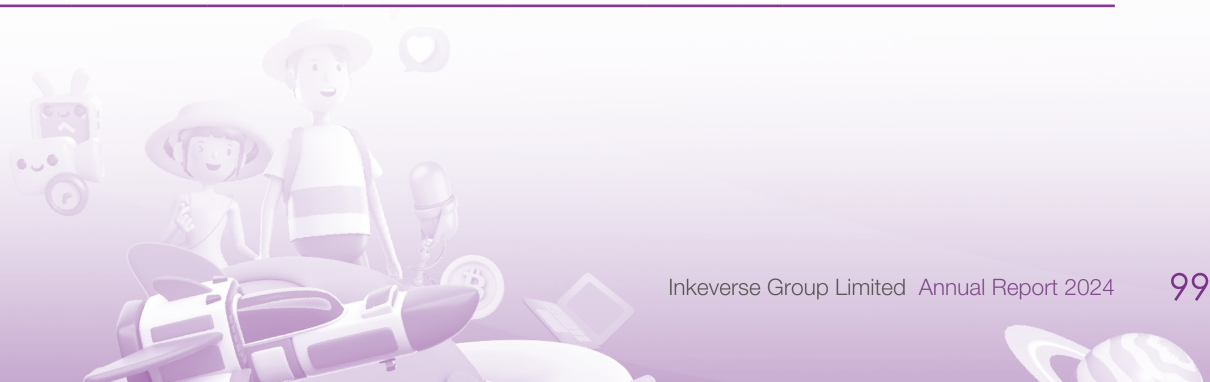
(a) Financial assets and liabilities (continued)

(iii) Fair value measurements using significant unobservable inputs (Level 3) (continued)

i. Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements.

Description	Fair value as of 31 December 2024 RMB'000	Fair value as of 31 December 2023 RMB'000	Unobservable inputs	2024 Range of inputs (probability weighted average)	2023 Range of inputs (probability weighted average)	Relationship of unobservable inputs to fair value
Financial assets at FVPL – Non-current						
Investments in equity interests with preferred rights of certain private companies	**194,520**	198,643	Expected volatility	**34.86%~64.86%**	43.88%~74.23%	As of 31 December 2024, a decrease or increase in the expected volatility by 5% for each of the investments would result in an increase or decrease in the total fair value by RMB41,000 and RMB98,000 (31 December 2023: RMB1,859,000 and RMB1,766,000), respectively.
			Discount for lack of marketability ("DLOM")	**0.08%~19.00%**	6.71%~25.00%	As of 31 December 2024, a decrease or increase in the DLOM by 5% for each of the investments would result in an increase or decrease in the total fair value by RMB4,571,000 and RMB4,972,000 (31 December 2023: RMB9,363,000 and RMB9,363,000), respectively.
			Risk-free rate	**1.14%~1.72%**	2.02%~2.29%	As of 31 December 2024, if risk-free rate for each of the investments were 1% higher or lower, the total fair value would decrease or increase by RMB6,000 and RMB6,000 (31 December 2023: RMB15,000 and RMB18,000), respectively.
Total	**194,520**	198,643				



3. Financial risk management (continued)

3.3 Fair value estimate (continued)

(a) Financial assets and liabilities (continued)

(iii) Fair value measurements using significant unobservable inputs (Level 3) (continued)

i. Valuation inputs and relationships to fair value (continued)

Description	Fair value as of 31 December 2024 RMB'000	Fair value as of 31 December 2023 RMB'000	Unobservable inputs	2024 Range of inputs (probability weighted average)	2023 Range of inputs (probability weighted average)	Relationship of unobservable inputs to fair value
Financial assets at FVPL – Current						
Investments in wealth management products	**115,000**	51,612	Expected rate of return/discount rate	**1.60%~2.15%**	1.49%~3.70%	The higher the expected rate of return, the higher the fair value. The lower the discount rate, the higher the fair value. A change in the expected rate of return or the discount rate by 1% for each of the investment would not result in a significant change in the fair values.
Total	**115,000**	51,612				

(iv) Valuation process

The Group manages the valuation exercise of Level 3 instruments for financial reporting purpose.

The Group manages the valuation exercise of the investments on a case-by-case basis. At least once every 6 months in line with the Group's half-yearly reporting periods, the Group would use valuation techniques to determine the fair value of the Group's Level 3 instruments. External valuation experts will be involved when necessary.

3. Financial risk management (continued)

3.3 Fair value estimate (continued)

(b) Non-financial assets

(i) Fair value hierarchy

This note explains the judgements and estimates made in determining the fair values of the non-financial assets that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its non-financial assets into the three levels prescribed under the accounting standards. An explanation of each level is provided in Note 3.3(a)(i).

	Level 1 RMB'000	**Level 2 RMB'000**	**Level 3 RMB'000**	**Total RMB'000**
As of 31 December 2024				
– Investment properties	**–**	**–**	**128,884**	**128,884**

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As of 31 December 2023				
– Investment properties	–	–	203,059	203,059

(ii) Valuation techniques used to determine Level 3 fair values

The Group's investment properties were measured at fair value using direct comparison method.

The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available the management consider information from a variety of sources including:

- current prices in an active market for properties of a different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences

Changes in such information and estimates could materially affect the fair value of the investment properties.

3. Financial risk management (continued)

3.3 Fair value estimate (continued)

(b) Non-financial assets (continued)

(iii) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in recurring Level 3 fair value measurements (see Note 3.3(b)(ii)) above for the valuation techniques adopted):

Description	Fair value as of 31 December 2024 RMB'000	Fair value as of 31 December 2023 RMB'000	Valuation technique	Unobservable inputs	Range of inputs as of 31 December 2024 RMB'000	Range of inputs as of 31 December 2023 RMB'000
Investment properties						
Geographic Hong Kong	**118,511**	168,493	Direct comparison	Price per square metre	**480~725**	783~947
Geographic Sanya	**10,373**	10,373	Direct comparison	Price per square metre	**34~52**	37~51
Geographic Beijing	**–**	24,193	Direct comparison	Price per square metre	**–**	56~82
Total	**128,884**	203,059				

4. Critical accounting estimates and judgments

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

4.1 Critical accounting estimates

(a) Fair value of financial assets

The fair value of financial assets that are not traded in an active market (for example, (i) investments in private companies; (ii) wealth management products) is determined by using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Changes in these assumptions and estimates could materially affect the respective fair value of these investments. For details of fair value estimate see Note 3.3.

(b) Fair value of investment properties

Information about the valuation of investment properties is provided in Note 3.3.

4. Critical accounting estimates and judgments (continued)

4.2 Critical accounting judgement

(a) Revenue recognition

The Group recognises revenue when providing value added service and entertainment content service as described in Note 6 on a gross or net basis depending on whether the Group is acting as a principal or an agent in the transaction. The group has concluded that reporting the gross amount equivalent to the cash proceeds that the Group receives from the sale of virtual currency to users, because the Group concluded that it is the primary obligor to fulfil all obligations related to the sales of virtual items and virtual services on the platforms and has latitude in establishing price.

With respect to the entertainment content service revenue that derived from content distribution partners, when the Group concludes that it is not the primary obligor in the service rendered to the end users, the Group recognises its revenue based on the portion of the sharing of revenues that derived from the content distribution partners.

(b) Provision

A provision shall be recognised when:

- an entity has a present obligation (legal or constructive) as a result of a past event;

- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

- a reliable estimate can be made of the amount of the obligation.

In rare cases, it may be disputed either whether certain events have occurred or whether those events result in a present obligation. In such a case, an entity determines whether a present obligation exists at the end of the reporting year by taking account of all available evidence, including, for example, the opinion of experts. The evidence considered includes any additional evidence provided by events after the reporting year. On the basis of such evidence:

- where it is more likely than not that a present obligation exists at the end of the reporting year, the entity recognises a provision (if the recognition criteria are met); and

- where it is more likely that no present obligation exists at the end of reporting year, the entity discloses a contingent liability, unless the possibility of an outflow of resources embodying economic benefits is remote.

(c) Accounting of cryptocurrencies

IFRS Accounting Standards do not specifically address accounting for cryptocurrencies. Accordingly, for the preparation of the consolidated financial information, management needs to apply judgment in cryptocurrencies.

Given the Group's purpose for holding cryptocurrencies, management considered that cryptocurrencies purchased and held by the Group should be accounted for as indefinite-lived intangible assets accounted for under the cost model.

In determining the fair values used for impairment tests, management need to apply judgment to identify the relevant available markets for the trading of cryptocurrencies and to consider accessibility to and activity within those markets in order to identify the principal cryptocurrency markets and thus ascertain the respective fair market values.

5. Segment information

The Group's business activities are mainly in value added service and entertainment content service business, for which financial statements are available, and are regularly reviewed and evaluated by the chief operating decision maker ("CODM"), which are the chief executive officers and the vice presidents of the Group. As a result of this evaluation, the CODM considered that the Group's operations are operated and managed as a single segment. Accordingly, no segment information is presented.

The Company is domiciled in the Cayman Islands while the Group mainly operates its businesses in the PRC and earns substantially all of the revenues from external customers attributed to the PRC.

As of 31 December 2024 and 2023, substantially all of the non-current assets of the Group were located in mainland China and Hong Kong.

6. Revenue

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Value added service	**5,037,732**	5,219,985
Entertainment content service	**1,313,258**	958,683
Others	**499,731**	666,120
	6,850,721	6,844,788

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Revenue recognised at a point in time	**6,637,231**	6,709,474
Revenue recognised over time	**213,490**	135,314
	6,850,721	6,844,788

(i) Accounting policies of revenue recognition and contract liabilities

The Group mainly generates revenue from providing value added service and entertainment content service through various online platforms. Revenue from value added service is generated from the Group's mobile live streaming and other pan-entertainment platforms, such as Inke (映客), Duiyuan (對緣), etc. Entertainment content service is generated from the content produced by the Group and made available for online users' subscription. Entertainment content service is also generated from the licensing entertainment contents to certain content distribution partners. Revenue is measured at the transaction price which is the amount of consideration to which the Group is entitled to in exchange for transferring promised services or goods to the customer. The Group allocates the transaction price to each performance obligation based on the relative stand-alone selling prices. Revenue for each performance obligation is then recognised when the Group satisfies the performance obligation by transferring the promised goods or services to the customer.

6. Revenue (continued)

(i) Accounting policies of revenue recognition and contract liabilities (continued)

(a) Value added service

The Group provides value added service through operating the mobile live streaming platforms and providing an internet infrastructure to enable the streamers and users to interact through the platforms. The Group operates a virtual currency system for each platform, under which the users can use the virtual currency to purchase consumable virtual items to present to the streamers to show support or enhance communication and virtual services to increase the invisibility of their profile and messages. The virtual currency can also be used on consumption basis to interact with streamers, including live chatting and other communication methods. The platforms are open to all users and streamers for free. The Group generates revenue from the sale of virtual currencies which can be used to purchase virtual items and services, or can be directly consumed for interacting with streamers on the platform. In order to attract user traffic to the platform, the Group shares revenues with the streamers in accordance with the streamer agreements with the Group. The Group concluded that it is the primary obligor to fulfill all obligations related to the sales of virtual items and virtual services on the platform and has latitude in establishing price. Accordingly, the Group records revenue on a gross basis and the portion shared with individual streamers and the streamer agents that managed streamers are accounted for as cost of revenues.

Upon the sales of virtual currency, the Group typically has an implied obligation to provide the services which enable the virtual currency to be usable on the Group's platforms. Virtual currency sold but not yet consumed by the purchaser is recorded as "contract liabilities". The weighted average unit price of virtual currencies is calculated on a monthly basis as the contract liabilities at the beginning of the month plus proceeds received during the month divided by the corresponding quantity of virtual currencies. For those virtual items or services that will be extinguished shortly after consumption, the user will not continue to be benefited from the virtual items or services and the Group does not have further obligations to the user after the consumption. Therefore, revenue is recognised immediately when the virtual currencies, the consumable virtual items or services are consumed based on the weighted average unit price of virtual currencies and the quantities of virtual currencies redeemed for virtual items. The Group also provides other value added services that enable special privileges and abilities to the purchasers over an extended period of time. Revenue is recognised ratably over the beneficial period.

(b) Entertainment content service

The Group produces entertainment content and generates revenue through subscription payment by online users on its operated platform. Users can top up their accounts and subscribe episode by episode of the entertainment content. The Group recognizes the revenue when the episode is subscribed by the users. Users can also pay a membership fee for a fixed time period, ranging from one month to twelve months. For membership service, the Group stands ready to provide the paid entertainment contents and the customer simultaneously receives and consumes the benefits as the Group provide such services throughout the membership period. The receipt of membership fees is initially recorded as contract liabilities and revenue is recognised ratably over the membership period as services are rendered.

The Group also generates revenue from licensing entertainment contents to certain content distribution partners. With respect to the entertainment content service revenue that derived from content distribution partners, when the Group concludes that it is not the primary obligor in the service rendered to the end users, the Group recognises its revenue based on the portion of the sharing of revenues that derived from the content distribution partners.

7. Expenses by nature

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Revenue sharing to streamers	**2,729,910**	3,100,339
Promotion and advertising expenses	**2,475,696**	2,031,052
Employee benefit expenses (Note 8)	**569,008**	692,335
Cost of goods sold	**161,654**	216,760
Amortisation of intangible assets (Note 18)	**134,155**	61,498
Payment handling costs	**119,729**	111,374
Bandwidth and server custody costs	**86,126**	119,958
Technical support and professional service fees	**82,271**	72,719
Travelling, entertainment and general office expenses	**55,544**	55,609
Depreciation of right-of-use assets (Note 16)	**24,566**	23,540
Taxes and surcharges	**16,014**	17,136
Depreciation of property, plant and equipment (Note 15)	**14,306**	11,183
Expected credit loss allowance (Note 3.1(b))	**8,563**	13,062
Auditor's remuneration		
– Audit services	**5,000**	6,000
– Non-audit services	**857**	650
Expenses relating to short-term lease not included in lease liabilities (Note 16)	**2,456**	2,129
Others	**31,964**	62,388
	6,517,819	6,597,732

8. Employee benefits expenses

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Wages, salaries and bonuses	**425,000**	519,108
Other social security costs and housing benefits	**82,025**	100,358
Pension costs – defined contribution plans	**44,232**	47,453
Share-based compensation expenses (Note 28)	**17,751**	25,416
Total employee benefit expenses	**569,008**	692,335

(i) The Group did not have any forfeited contribution for the year ended 31 December 2024 in connect with the defined contribution plan operated by local governments. The majority of the Group's contributions to pension plans are related to the local employees in the PRC. All local employees of the subsidiaries in the PRC participate in employee social security plans established in the PRC, which cover pension, medical and other welfare benefits. The plans are organised and administered by the governmental authorities. Except for the contributions made to these social security plans, the Group has no other material commitments owing to the employees. According to the relevant regulations, the portion of premium and welfare benefit contributions that should be borne by the companies within the Group as required by the above social security plans are principally determined based on percentages of the basic salaries of employees, subject to certain ceilings imposed. These contributions are paid to the respective labour and social welfare authorities and are expensed as incurred. The applicable percentages used to provide for these social security plans for the years ended 31 December 2024 and 2023 are listed below:

	Percentages
Pension insurance	15.0~16.0%
Medical insurance	5.0~10.0%
Unemployment insurance	0.5~0.7%
Housing fund	8.0~12.0%

8. Employee benefits expenses (continued)

(a) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include two (2023: two) directors whose emoluments are reflected in the analysis shown in Note 37. The emoluments payable to the remaining three (2023: three) individuals during the year are as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Salaries and wages	**3,997**	4,486
Discretionary bonuses	**1,855**	1,824
Pension costs-defined contribution plans	**187**	185
Other social security costs, housing benefits	**257**	261
Share-based compensation expenses	**2,680**	1,985
	8,976	8,741

	Year ended 31 December	
	2024	2023
Emoluments bands:		
HKD2,000,001 to HKD2,500,000	**1**	–
HKD2,500,001 to HKD3,000,000	**–**	–
HKD3,000,001 to HKD3,500,000	**–**	3
HKD3,500,001 to HKD4,000,000	**2**	–
	3	3

None of five highest paid individuals waived or agreed to waive any emoluments during the years ended 31 December 2024 and 2023. No emoluments were paid to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office during the years ended 31 December 2024 and 2023.

9. Other (losses)/gains – net

	Year ended 31 December 2024 RMB'000	2023 RMB'000
Fair value (loss)/gain of investment properties	**(55,526)**	581
Fair value (loss)/gain of financial instruments at FVPL		
– Investments in current financial instruments at FVPL	**(35,317)**	92,669
– Investments in non-current financial instruments at FVPL	**(6,127)**	37,948
Loss for claims and legal proceedings	**(1,825)**	(4,817)
Impairment charges of investments accounted for using the equity method	**(3,459)**	–
(Loss)/gain on disposal of investments accounted for using the equity method	**(232)**	22,947
Net foreign exchange loss	**(1,065)**	(572)
Donations	**(50)**	(250)
Gain/(loss) on disposal of investment in subsidiaries	**1,988**	(2,936)
Lease modification	**753**	37
Dividends received from financial assets at FVPL	**411**	1,545
Others	**(29,021)**	(8,603)
	(129,470)	138,549

10. Other income

	Year ended 31 December 2024 RMB'000	2023 RMB'000
Government grants		
– Subsidies granted by various local governments in relation to the Group's achievement and development expenses (i)	**14,777**	14,140
– Subsidies in relation to amount of tax paid (ii)	**2,082**	24,415
	16,859	38,555

Notes:

(i) Rewards were granted by the local government authorities in Beijing, Changsha and Haikou to reward the Group's achievement and support the Group's development. There are no unfulfilled conditions or other contingencies attaching to these rewards.

(ii) Tax based subsidies were granted by local government authorities to incentivize the Group's business growth. There are no unfulfilled conditions or other contingences attaching to these rewards.

11. Finance income – net

	Year ended 31 December 2024 RMB'000	2023 RMB'000
Finance costs		
– Interest paid/payable for lease liabilities (Note 16)	**(902)**	(1,375)
– Others	**(2,644)**	(1,885)
	(3,546)	(3,260)
Finance income		
– Interest income from financial assets held for cash management purposes	**46,034**	38,738
Finance income – net	**42,488**	35,478

12. Subsidiaries

The Group's principal subsidiaries as of 31 December 2024 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of incorporation/ date of incorporation	Principal activities/ place of operation	Particulars of issued share capital and debt securities	Attributable equity interest of the Group As of 31 December 2024	2023	Ownership interest held by non-controlling interests As of 31 December 2024	2023
Directly held –							
Inke Holdings Limited ("Inke BVI")	BVI/30 November 2017	Investment holding/BVI	USD1	**100%**	100%	**-**	-
Social Network Technology Co.,Ltd.	BVI/5 June 2018	Investment holding/BVI	USD50,000	**100%**	100%	**-**	-
Lovein Holdings Limited	BVI/8 May 2020	Investment holding/BVI	USD50,000	**100%**	100%	**-**	-
YouFound Holdings Limited	BVI/8 May 2020	Investment holding/BVI	USD50,000	**100%**	100%	**-**	-

12. Subsidiaries (continued)

Name of entity	Place of incorporation/ date of incorporation	Principal activities/ place of operation	Particulars of issued share capital and debt securities	Attributable equity interest of the Group As of 31 December 2024	2023	Ownership interest held by non-controlling interests As of 31 December 2024	2023
Indirectly held –							
Inke Technology Limited	HK/19 December 2017	Investment Holding/HK	USD1	**100%**	100%	**–**	–
Beijing Cheese Network Technology Company Limited (北京映客芝士網絡科技有限公司) ("Inke PRC")	The PRC[1]/ 14 February 2018	Support services to operation of mobile live-streaming platforms/the PRC	USD1,000,000	**100%**	100%	**–**	–
Guangdong Inke Entertainment Network Information Co., Ltd. (廣東映客互娛網絡信息有限公司) ("Guangdong Inke")	The PRC[1]/ 26 October 2018	Support services to operation of mobile live-streaming platforms/the PRC	RMB10,000,000	**100%**	100%	**–**	–
Inke Hong Kong Limited	HK/12 July 2016	Investment holding/HK	HKD1	**100%**	100%	**–**	–
Inke Investment Holding Limited	BVI/23 October 2018	Investment holding/BVI	USD1	**100%**	100%	**–**	–
Socialmaker Technology Limited	HK/29 June 2018	Investment Holding/HK	HKD10,000	**100%**	100%	**–**	–
Lovein Technology Hong Kong Limited	HK/27 May 2020	Investment Holding/HK	HKD10,000	**100%**	100%	**–**	–
YouFound Technology Hong Kong Limited	HK/27 May 2020	Investment Holding/HK	HKD10,000	**100%**	100%	**–**	–
Blueberry Culture (Beijing) Co., Ltd. (藍莓時節文化(北京)有限公司)	The PRC[1]/ 25 December 2018	Investment Holding/the PRC	USD7,000,000	**100%**	100%	**–**	–
Hunan Yingchuangxingao Internet and Technology Co.,Ltd. (湖南映創新高網絡科技有限公司)	The PRC[1]/11 June 2020	Investment Holding/the PRC	RMB2,000,000	**100%**	100%	**–**	–
Hunan Lingxiao Internet and Technology Co., Ltd. (湖南凌霄網絡科技有限公司)	The PRC[1]/12 June 2020	Investment Holding/the PRC	RMB2,000,000	**100%**	100%	**–**	–
Inkeverse Haile (Guangdong) Technology Co., Ltd. (映宇宙海樂(廣東)科技有限公司) ("Haile")	The PRC[2]/ 21 November 2023	Support services to operation of mobile live-streaming platforms/the PRC	RMB5,000,000	**100%**	100%	**–**	–
Wayguard Limited	HK/5 July 2005	Investment holding/HK	HKD10	**100%**	100%	**–**	–
Indirectly controlled by the Company pursuant to the Contractual Agreements –							
Beijing Meelive Network Technology Co, Ltd. (北京蜜萊塢網絡科技有限公司) ("Beijing Meelive")	The PRC[2]/31 March 2015	Operation of live-streaming platforms/the PRC	RMB1,713,000	**100%**	100%	**–**	–
Hunan Canchenyingchao Internet and Technology Co., Ltd. (湖南燦宸映朝網絡科技有限公司)	The PRC[2]/3 June 2020	Support services to operation of mobile live-streaming platforms/the PRC	RMB2,000,000	**100%**	100%	**–**	–
Hunan Lingxiaolansheng Internet and Technology Co., Ltd. (湖南凌霄攬勝網絡科技有限公司) ("Hunan Lingxiaolansheng")	The PRC[2]/3 June 2020	Support services to operation of mobile live-streaming platforms/the PRC	RMB2,000,000	**100%**	100%	**–**	–

12. Subsidiaries (continued)

Name of entity	Place of incorporation/ date of incorporation	Principal activities/ place of operation	Particulars of issued share capital and debt securities	Attributable equity interest of the Group As of 31 December 2024	2023	Ownership interest held by non-controlling interests As of 31 December 2024	2023
Direct and indirect subsidiaries of Beijing Meelive –							
Hunan Pineapple Entertainment Network Information Co.,Ltd. (湖南菠蘿互娛網絡信息有限公司)	The PRC[2]/30 March 2018	Operation of mobile live-streaming platforms/the PRC	RMB10,000,000	**100%**	100%	**–**	–
Sichuan Lingyuxiu Network Technology Co., Ltd. (四川靈域秀網絡科技有限公司)	The PRC[2]/28 June 2019	Operation of mobile live-streaming platforms/the PRC	RMB1,000,000	**70%**	70%	**30%**	30%
Hainan Aike Network Technology Co.,Ltd. (海南愛客網絡科技有限公司)	The PRC[2]/30 October 2019	Operation of entertainment platforms/the PRC	RMB1,000,000	**100%**	100%	**–**	–
Guangzhou Kuaichuang Network Technology Co., Ltd. (廣州快創網絡科技有限公司) ("Guangzhou Kuaichuang")	The PRC[2]/25 July 2023	Operation of entertainment platforms/the PRC	RMB1,667,000	**40%[3]**	40%[3]	**60%**	60%
Hainan Fujun Network Technology Co., Ltd. (海南芙浚網絡科技有限公司)	The PRC[2]/10 March 2023	Operation of entertainment platforms/the PRC	RMB1,000,000	**100%**	100%	**–**	–
Hainan Shenyun Network Technology Co., Ltd. (海南沈芸網絡科技有限公司)	The PRC[2]/3 March 2023	Operation of entertainment platforms/the PRC	RMB1,000,000	**100%**	100%	**–**	–
Hunan Inke Entertainment Network Information Co., Ltd. (湖南映客互娛網絡信息有限公司) ("Hunan Inke")	The PRC[2]/30 May 2016	Support services to operation of mobile live-streaming platforms/the PRC	RMB5,000,000	**100%**	100%	**–**	–
Hainan Fengyu Network Technology Co.,Ltd. (海南峰娛網絡科技有限公司) ("Hainan Fengyu")	The PRC[2]/12 September 2019	Operation of mobile live-streaming platforms/the PRC	RMB1,000,000	**100%**	100%	**–**	–
Hunan Muguang Network Information Co., Ltd. (湖南牧光網絡信息有限公司)	The PRC[2]/17 January 2022	Operation of mobile living-streaming platforms/the PRC	RMB2,000,000	**100%**	100%	**–**	–
Hainan Lanteng Network Technology Co., Ltd. (海南蘭騰網絡科技有限公司)	The PRC[2]/08 April 2022	Operation of mobile living-streaming platforms/the PRC	RMB1,000,000	**100%**	100%	**–**	–
Changsha Youqian Network Technology Co., Ltd. (長沙柚謙網絡科技有限公司)	The PRC[2]/20 August 2024	Support services to operation of mobile living-streaming platforms/the PRC	RMB10,000	**100%**	–	**–**	–
Direct and indirect subsidiaries of Hunan Lingxiaolansheng –							
Hainan Futian Network Technology Co.,Ltd. (海南復田網絡科技有限公司)	The PRC[2]/6 November 2020	Operation of mobile live-streaming platforms/the PRC	RMB1,000,000	**100%**	100%	**–**	–
Hainan Qiansheng Network Technology Co.,Ltd. (海南乾升網絡科技有限公司)	The PRC[2]/17 November 2020	Operation of mobile live-streaming platforms/the PRC	RMB1,000,000	**100%**	100%	**–**	–

(1) Registered as wholly foreign owned enterprises under PRC law.

(2) Registered as a domestic owned enterprise under the PRC law.

(3) In August 2023, the Group acquired 40% equity interest with 55% voting power of which 15% voting power of Guangzhou Kuaichuang has been provided by an independent third party. The Group has considered it has sufficient power to control Guangzhou Kuaichuang.

13. Income tax expense

(a) Cayman Islands and BVI Income Tax

The Company is incorporated as an exempted company with limited liability under the Companies Law of the Cayman Islands and is not subject to Cayman Islands income tax. The Group entities established under the International Business Companies Acts of BVI are exempted from BVI income taxes.

(b) Hong Kong Income Tax

Hong Kong profits tax rate is 16.5%. When the two-tiered profits tax regime took effect, the applicable Hong Kong profits tax rate is 8.25% for assessable profits on the first HKD2 million and 16.5% for any assessable profits in excess of HKD2 million.

(c) Singapore Income Tax

The income tax rate of Singapore is 17% of the assessable profits. Statutory stepped income exemption relates to 75% tax exemption on the first Singapore dollars ("SGD") 10,000 of chargeable income and a further 50% tax exemption on the next SGD190,000 of chargeable income.

(d) PRC Enterprise Income Tax ("EIT")

The income tax provision of the Group in respect of its operations in the PRC was subject to statutory tax rate of 25% on the assessable profits for the years ended 31 December 2024 and 2023 except for the following entities with preferential tax rates, based on the existing legislation, interpretations and practices in respect thereof.

Inke PRC, Beijing Meelive, Beijing Blueberry Technology Company Limited, Hunan Inke and Hunan Xiangsheng Network Information Co., Ltd. were qualified as "High and New Technology Enterprises" ("HNTEs") under the relevant PRC laws and regulations in the past years ranging from 2021 to 2023. Accordingly, they were entitled to a preferential income tax rate of 15% on their estimated assessable profits for the years ended 31 December 2024.

Guangdong Inke was accredited as a "Software enterprise" under the relevant PRC laws and regulations in 2023. Accordingly, Guangdong Inke is exempted from EIT for two years, followed by a 50% reduction of taxation, i.e.12.5%, for the next three years, commencing from the first year of profitable operation after offsetting tax losses generating from prior years. The first year of profitable operation after offsetting tax losses generating from prior years for Guangdong Inke was 2022. Accordingly, Guangdong Inke was entitled to be exempted from EIT for the year ended 31 December 2023, and to be entitled to a 50% reduced tax rate for the year ended 31 December 2024.

Hainan Fengyu was qualified as "Encouraging enterprises" under the relevant PRC laws and regulations since 2020. Accordingly, Hainan Fengyu was entitled to a preferential income tax rate of 15% on their estimated assessable profits for the years ended 31 December 2024 and 2023.

According to the relevant laws and regulations promulgated by the State Administration of Taxation of the PRC ("STA") that was effective from 2018 onwards, enterprises engaging in research and development activities are entitled to claim 175% of their research and development expenses so incurred as tax deductible expenses when determining their assessable profits for that year ("Super Deduction"). The STA announced in May 2023 to increase the Super Deduction rate to 200% of their research and development expenses from 1 January 2023.

13. Income tax expense (continued)

(e) PRC Withholding Tax ("WHT")

According to the New Corporate Income Tax Law ("New EIT Law"), distribution of profits earned by PRC companies since 1 January 2008 to foreign investors is subject to withholding tax of 5% or 10%, depending on if the foreign investor is considered as the beneficial owner of the dividend according to the double tax treaty (agreement) between China and the jurisdiction of incorporation of the foreign investor, upon the distribution of profits to overseas-incorporated immediate holding companies.

During the years ended 31 December of 2024 and 2023, the Group does not have any plan to require its PRC subsidiaries to distribute their retained earnings and intends to retain them to operate and expand its business in the PRC. Accordingly, no deferred income tax liability on WHT was accrued as of the end of each reporting period.

(f) Income tax expense

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Current income tax		
Current income tax on profits for the year	**71,201**	68,867
Total current income tax expense	**71,201**	68,867
Deferred income tax		
(Increase)/decrease in deferred tax assets	**(34,823)**	2,009
(Decrease)/increase in deferred tax liabilities	**(4,731)**	9,113
Total deferred income tax (credit)/expense	**(39,554)**	11,122
Income tax expense	**31,647**	79,989

13. Income tax expense (continued)

(f) Income tax expense (continued)

The tax on the Group's income before income tax differs from the theoretical amount that would arise using the statutory tax rate applicable to income of the consolidated entities as follows:

	Year ended 31 December 2024 RMB'000	2023 RMB'000
Profit before income tax	**248,289**	480,547
Tax calculated at statuary tax rate of 25%	**62,072**	120,137
Tax effects of difference in overseas tax rates and preferential tax rates applicable to certain subsidiaries of the Group	**(37,236)**	(60,814)
Tax effect of amounts which are not deductible in calculating taxable income	**3,378**	4,972
Tax loss of subsidiaries in which no deferred income tax assets were recognised	**58,746**	68,454
Tax effect of super deduction in research and development	**(33,101)**	(34,624)
Previously unrecognised tax losses now used to reduce current tax expense	**(22,212)**	(18,136)
	31,647	79,989

As of 31 December 2024 and 2023, the Group did not recognise deferred income tax assets of RMB313,470,000 and RMB68,454,000 in relation to cumulative tax losses which are expected to expire until 31 December 2029 and 31 December 2028, respectively.

(g) OECD Pillar Two model rules

The Group is within the scope of the OECD Pillar Two model rules. Pillar Two legislation was enacted in Thailand, Hong Kong and Singapore, the jurisdictions that some subsidiaries of the Company were incorporated. Pillar Two legislation came into effect from 1 January 2024 in Thailand and will come into effect from 1 January 2025 in Hong Kong and Singapore.

Under the legislation, the group is liable to pay a top-up tax for the difference between the Global Anti-Base Erosion Proposal ("GloBE") effective tax rate for each jurisdiction and the 15% minimum rate.

Based on management's assessment, the application of the Pillar Two legislation in Thailand has no impact on the Group's annual effective tax rate, as the subsidiaries in Thailand incurred losses during 2024.

The Group is in the process of assessing its exposure to the Pillar Two legislation in Hong Kong and Singapore for when it comes into effect.

14. Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares; and
- by the weighted average number of ordinary shares outstanding during the financial year, excluding shares held for employee share scheme (Note 28).

	Year ended 31 December	
	2024	2023
Profit attributable to owners of the Company (RMB'000)	**180,312**	386,529
Weighted average number of ordinary shares in issue (thousand shares)	**1,863,284**	1,853,941
Basic earnings per share attributable to the shareholders of the Company (expressed in RMB per share)	**0.10**	0.21

(b) Diluted earnings per share

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

- the after-income tax effect of fair value changes with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

	Year ended 31 December	
	2024	2023
Profit attributable to owners of the Company (RMB'000)	**180,312**	386,529
Weighted average number of ordinary shares in issue (thousand shares)	**1,863,284**	1,853,941
Add: Adjustment for restricted share units granted to employees (thousand shares)	**18,774**	12,658
Weighted average number of ordinary shares for calculation of diluted earnings per share (thousand shares)	**1,882,058**	1,866,599
Diluted earnings per share attributable to the shareholders of the Company (expressed in RMB per share)	**0.10**	0.21

15. Property, plant and equipment

	Computer equipment RMB'000	Office equipment and furniture fixtures RMB'000	Motor vehicles RMB'000	Apartments RMB'000	Leasehold improvement RMB'000	Total RMB'000
Cost:						
As of 31 December 2023	32,573	1,837	7,572	51,927	37,658	131,567
Additions	4,266	308	2,851	24,193	2,653	34,271
Disposals	(7,471)	(598)	(960)	–	(382)	(9,411)
As of 31 December 2024	29,368	1,547	9,463	76,120	39,929	156,427
Accumulated depreciation:						
As of 31 December 2023	(23,749)	(530)	(1,500)	(1,257)	(30,662)	(57,698)
Disposals	5,850	393	424	–	304	6,971
Depreciation (Note 7)	(4,848)	(295)	(1,941)	(1,450)	(5,772)	(14,306)
As of 31 December 2024	(22,747)	(432)	(3,017)	(2,707)	(36,130)	(65,033)
Net carrying amount:						
As of 31 December 2023	8,824	1,307	6,072	50,670	6,996	73,869
As of 31 December 2024	6,621	1,115	6,446	73,413	3,799	91,394
Cost:						
As of 31 December 2022	38,060	1,012	2,416	5,724	32,830	80,042
Additions	3,899	938	5,156	46,203	5,510	61,706
Business combination	55	–	–	–	–	55
Disposals	(9,441)	(113)	–	–	(682)	(10,236)
As of 31 December 2023	32,573	1,837	7,572	51,927	37,658	131,567
Accumulated depreciation:						
As of 31 December 2022	(24,477)	(410)	(604)	(23)	(28,149)	(53,663)
Disposals	6,797	62	–	–	289	7,148
Depreciation (Note 7)	(6,069)	(182)	(896)	(1,234)	(2,802)	(11,183)
As of 31 December 2023	(23,749)	(530)	(1,500)	(1,257)	(30,662)	(57,698)
Net carrying amount:						
As of 31 December 2022	13,583	602	1,812	5,701	4,681	26,379
As of 31 December 2023	8,824	1,307	6,072	50,670	6,996	73,869

15. Property, plant and equipment (continued)

(a) Revaluation, depreciation methods and useful lives

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

Computer equipment	3 years
Office equipment and furniture fixtures	3 years
Motor vehicles	4–5 years
Leasehold improvements	3–5 years
Apartments	20–60 years

See Note 41.5 for the other accounting policies relevant to property, plant and equipment.

16. Lease

This note provides information for leases where the Group is a lessee.

(i) Amounts recognised in the balance sheet

	31 December 2024 RMB'000	31 December 2023 RMB'000
Right-of-use assets		
Buildings	**30,678**	30,585
Lease liabilities		
Non-current	**17,169**	8,700
Current	**12,553**	17,502
	29,722	26,202

The right-of-use assets were measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the consolidated balance sheet as of 31 December 2024. Additions to the right-of-use assets in 2024 were RMB27,626,000 (2023: RMB5,729,000).

16. Lease (continued)

(ii) Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Depreciation charge of right-of-use assets (Note 7)	**(24,566)**	(23,540)
Interest expense (included in finance cost) (Note 11)	**(902)**	(1,375)
Expense relating to short-term leases (included in cost of sales, selling and marketing expense, research and development expenses and administrative expenses) (Note 7)	**(2,456)**	(2,129)

The total cash outflow for leases in 2024 was RMB24,783,000 (2023: RMB22,582,000).

(iii) The Group's leasing activities and how these are accounted for

The Group leases various offices. Rental contracts are typically made for fixed periods of 1 year to 3 years.

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

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants. Leased assets may not be used as security for borrowing purposes.

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

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases, which does not have recent third-party financing; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

16. Lease (continued)

(iii) The Group's leasing activities and how these are accounted for (continued)

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group entities use that rate as a starting point to determine the incremental borrowing rate.

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

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

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets mainly comprise a small warehouse used for storing computer.

See Note 41.18 for the other accounting policies relevant to leases.

17. Investment properties

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Non-current assets – at fair value		
Opening balance as of 1 January	**203,059**	210,609
Additions	**3,549**	35,079
Transfer to owner-occupied property (Note 15)	**(24,193)**	(46,203)
Exchange gains	**1,995**	2,993
Change in fair value (Note 9)	**(55,526)**	581
Closing balance as of 31 December	**128,884**	203,059

(i) Measuring investment property at fair value

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are initially measured at cost, including related transaction costs and where applicable borrowing costs. Subsequently, they are carried at fair value. Changes in fair values are presented in profit or loss as part of Other (losses)/gains – net.

(ii) Presenting cash flows

The Group classifies cash outflows to acquire investment property as investing.

18. Intangible assets

	Cryptocurrencies RMB'000	Software RMB'000	Copyright RMB'000	User base RMB'000	Trademark RMB'000	Others RMB'000	Total RMB'000
Cost:							
As of 31 December 2023	–	28,685	105,030	25,500	74,311	4,898	238,424
Additions	229,323	1,018	119,081	–	–	–	349,422
Disposals	(56,489)	(1,018)	–	–	(102)	–	(57,609)
As of 31 December 2024	172,834	28,685	224,111	25,500	74,209	4,898	530,237
Accumulated amortisations:							
As of 31 December 2023	–	(18,941)	(104,712)	(23,100)	(31,887)	(3,199)	(181,839)
Amortisation (Note 7)	–	(4,696)	(118,865)	(2,400)	(7,536)	(658)	(134,155)
As of 31 December 2024	–	(23,637)	(223,577)	(25,500)	(39,423)	(3,857)	(315,994)
Net carrying amount:							
As of 31 December 2023	–	9,744	318	2,400	42,424	1,699	56,585
As of 31 December 2024	172,834	5,048	534	–	34,786	1,041	214,243

	Goodwill RMB'000	Software RMB'000	Copyright RMB'000	User base RMB'000	Trademark RMB'000	Others RMB'000	Total RMB'000
Cost:							
As of 31 December 2022	1,270	17,051	60,090	25,500	74,311	4,898	183,120
Additions	–	–	44,940	–	–	–	44,940
Acquisition of business	–	12,883	–	–	–	–	12,883
Deconsolidation of a subsidiary	(1,270)	(1,249)	–	–	–	–	(2,519)
As of 31 December 2023	–	28,685	105,030	25,500	74,311	4,898	238,424
Accumulated amortisations:							
As of 31 December 2022	–	(14,439)	(59,148)	(19,900)	(24,313)	(2,541)	(120,341)
Amortisation (Note 7)	–	(4,502)	(45,564)	(3,200)	(7,574)	(658)	(61,498)
As of 31 December 2023	–	(18,941)	(104,712)	(23,100)	(31,887)	(3,199)	(181,839)
Net carrying amount:							
As of 31 December 2022	1,270	2,612	942	5,600	49,998	2,357	62,779
As of 31 December 2023	–	9,744	318	2,400	42,424	1,699	56,585

18. Intangible assets (continued)

(a) Amortisation methods and periods

The Group amortises intangible assets with a limited useful life using the straight-line method over the following periods:

Trademarks	10 years
User base	5 years
Copyrights	0–1 year
Software	1–10 years
Others	1–10 years

(b) Amortisation charges

Amortisation charges were expensed in the following categories in the consolidated statements of comprehensive income:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Cost of sales	**133,659**	60,836
Administrative expenses	**265**	248
Research and development expenses	**171**	192
Selling and marketing expenses	**60**	222
	134,155	61,498

(c) Cryptocurrencies

Cryptocurrencies purchased and held by the Group, which are accounted for as intangible assets under the cost model. The Group has ownership of and control over the cryptocurrencies held. The cryptocurrencies held by the Group are considered to have indefinite life. They are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. The accounting policies applied for impairment of cryptocurrencies are consistent with those for impairment of non-financial assets, as described Note 41.7. Cryptocurrencies that suffered an impairment are reviewed for possible reversal of impairment at the end of each reporting period. The increased carrying amount of cryptocurrencies attributable to a reversal of impairment loss, which is recognized in profit or loss, will not exceed the carrying amount that would have been determined if no impairment loss had been recognized for the cryptocurrencies in prior accounting periods.

See Note 41.6 for the other accounting policies relevant to intangible assets and Note 41.7 for the Group's policy regarding impairments.

19. Investments accounted for using the equity method

(a) The amounts recognised in the consolidated balance sheet are as follows:

	As of 31 December	
	2024	2023
	RMB'000	RMB'000
Associates (i)	**297,794**	290,120
Joint ventures (ii)	**198,086**	212,817
	495,880	502,937

19. Investments accounted for using the equity method (continued)

(a) The amounts recognised in the consolidated balance sheet are as follows: (continued)

(i) Interests in associates

Set below are the associates of the Group as of 31 December 2024:

Name of entity	Place of business/ country of incorporation	% of ownership interest 2024 %	Principal activities	Carrying amount as of 31 December 2024 RMB'000	2023 RMB'000
Guangzhou Meiguangshengshi Technology Co., Ltd.* (廣州美光盛世科技有限公司) ("Meiguang")	The PRC	40.00%	Social networking products and entertainment content service	**104,998**	94,950
Hunan Inke Property Limited* (湖南映客置業有限公司)* ("Hunan Inke Property")	The PRC	51.00% (Note 1)	Property development	**98,953**	101,801
Hunan Yuyi Technology Limited* (湖南於一科技有限公司)	The PRC	45.90%	Software development	**37,352**	32,966
Changsha Yuhua Culture and Technology Co., Ltd.* (長沙市毓華文化科技有限公司) ("Changsha Yuhua")	The PRC	49.00%	Educational service	**23,437**	28,155
Hunan Xiaokedou Network Technology Co., Ltd.* (湖南小蝌蚪網絡科技有限公司)	The PRC	30.00%	Life Service Platform	**13,002**	12,009
Changsha Wenyamo Information Technology Co., Ltd.* (長沙文雅墨信息科技有限責任公司)	The PRC	40.00%	Educational service	**6,932**	7,001
Hunan Yuanzi Liliang Network Technology Co., Ltd.* (湖南原子力量網絡科技有限公司)	The PRC	30.00%	Mobile game development	**4,256**	4,754
Chengdu Changyu Junge Information Technology Co., Ltd.* (成都長與君歌信息技術有限公司)	The PRC	26.01%	Software development	**3,802**	–
Changsha Mida Restaurant Management Co., Ltd.* (長沙蜜搭餐飲管理有限公司)	The PRC	45.00%	Bar Operations	**2,212**	2,380
Guangzhou Lemei Biological Technology Co., Ltd.* (廣州樂美生物科技有限公司)	The PRC	15.00%	Online retail	**1,865**	1,871
Beijing Qinwenyu Network Technology Co., Ltd.* (北京親吻魚網絡科技有限公司)	The PRC	40.00%	Social networking products	**504**	787
Beijing Laoyou Duozhi Internet Information Service Co., Ltd.* (北京老柚多汁網絡信息服務有限公司) ("Beijing Laoyou Duozhi")	The PRC	41.65%	Social networking products	**481**	1,561
Shenzhen Jingyu Gaming Technology Co., Ltd.* (深圳鯨魚博贏科技有限公司)	The PRC	45.00%	Software development	**–**	960
Young Mobile Limited	Hong Kong	20.00%	Social networking products	**–**	925
				297,794	290,120

(1) The Group and Changsha Longfor Real Estate Development Co., Ltd. owns 51% and 49% of the share capital of Hunan Inke Property respectively. As the decision making power of business operation of Hunan Inke Property is controlled by its board of directors and the Group has only 25% of voting power in the board of directors of this entity while the other shareholder has 75% of the voting power. Accordingly, Hunan Inke Property is treated as an associate company of the Group.

* The English names of the associates referred in the above represent management's best efforts in translating the Chinese names of these entities as they do not have official English names.

As of 31 December 2024, none of the associates are considered material to the Group, while as of 31 December 2023, Meiguang was considered material to the Group.

19. Investments accounted for using the equity method (continued)

(a) The amounts recognised in the consolidated balance sheet are as follows: (continued)

(ii) Interests in joint ventures

Set below are the joint ventures of the Group as of 31 December 2024:

Name of entity	Place of business/ country of incorporation	% of ownership interest 2024 %	Principal activities	Carrying amount as of 31 December 2024 RMB'000	2023 RMB'000
Ningbo Meishan Bonded Port Area Qingyuwanfeng Equity Investment Partnership (Limited Partnership)* (寧波梅山保税港區青雨萬峰股權投資合夥企業(有限合夥)) ("Qing Yu Wan Feng")	The PRC	99.99% (Note 1)	Investment holding	**105,420**	120,083
Hunan Haohan Internet Microcredit Co. Ltd.* (湖南浩瀚匯通互聯網小額貸款有限公司)	The PRC	30.00%	Provision of small loans to customers	**84,821**	85,261
LUCKY GIRAFFE TECHNOLOGY PTE. LTD.	Singapore	50.00%	Social networking products	**3,860**	3,776
BOMI FUNNY PTE.LTD.	Singapore	51.00%	Social networking products	**3,284**	2,951
Shenzhen Mihua Technology Co., Ltd.* (深圳市蜜花科技有限公司)	The PRC	50.00%	Social networking products	**701**	746
				198,086	212,817

(1) The Group determined that it does not have unilateral control in this entity as certain of the financial and operating activities of this entity should be jointly approved by the Group and other shareholders.

The joint ventures as listed above are private companies and there are no quoted market prices available for their shares. There are no contingent liabilities relating to the Group's interests in these joint ventures.

* The English names of the associates referred in the above represent management's best efforts in translating the Chinese names of these entities as they do not have official English names.

As of 31 December 2024, none of the joint ventures are considered material to the Group, while as of 31 December 2023, Qing Yu Wan Feng was considered material to the Group in the opinion of the directors.

19. Investments accounted for using the equity method (continued)

(b) Individually immaterial associates

The Group has interests in a number of individually immaterial associates that are accounted for using the equity method.

	As of 31 December 2024 RMB'000	2023 RMB'000
Aggregate carrying amount of individually immaterial associates	**297,794**	93,369
Aggregate amounts of the Group's share of:		
Profit/(loss) from operations	**284**	(5,531)

(c) Individually immaterial joint ventures

The Group has interests in a number of individually immaterial joint ventures that are accounted for using the equity method.

	As of 31 December 2024 RMB'000	2023 RMB'000
Aggregate carrying amount of individually immaterial joint ventures	**198,086**	212,817
Aggregate amounts of the Group's share of:		
(Loss)/profit from operations	**(14,774)**	2,823

20. Financial instruments by category

The Group holds the following financial instruments:

	As of 31 December	
	2024	2023
	RMB'000	RMB'000
Financial assets:		
Financial assets at amortised cost:		
– Trade receivables (Note 24)	**148,114**	56,945
– Other receivables, prepayments, deposits and other assets (excluding prepayments and deductible input VAT) (Note 23)	**140,649**	137,813
– Term deposits (Note 22)	**546,884**	223,316
– Restricted cash (Note 25)	**319,605**	58,391
– Cash and cash equivalents (Note 25)	**2,195,694**	2,362,290
Financial assets at FVPL (Note 21)	**759,369**	924,145
	4,110,315	3,762,900

	As of 31 December	
	2024	2023
	RMB'000	RMB'000
Financial liabilities:		
Financial liabilities at amortised cost:		
– Trade and notes payables (Note 29)	**745,364**	508,366
– Other payables and accruals (excluding salaries and welfare payables and other tax payable) (Note 30)	**29,132**	34,839
– Lease liabilities (Note 16)	**29,722**	26,202
Financial liabilities at FVPL (Note 21)	**90,574**	–
	894,792	569,407

The Group's exposure to various risks associated with the financial instruments is discussed in Note 3. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

21. Financial assets and financial liabilities at fair value through profit or loss

(a) Financial assets measured at FVPL include the following:

(i) Non-current

	As of 31 December 2024 RMB'000	2023 RMB'000
Unlisted preference shares	**194,520**	198,643

(ii) Current

	As of 31 December 2024 RMB'000	2023 RMB'000
Investment in		
– Listed equity	**302,439**	130,663
– Funds	**147,410**	543,227
– Others	**115,000**	51,612
	564,849	725,502

The investment in wealth management products were mainly issued by reputable commercial banks and other financial institutions in the PRC and are denominated in RMB, USD and HKD. Changes in fair value (realised and unrealised) of these financial assets had been recorded in "Other (losses)/gains – net" in the consolidated statements of comprehensive income.

The maximum exposure to credit risk at the reporting date is the carrying value of these investments. None of these investments are either past due or impaired.

21. Financial assets and financial liabilities at fair value through profit or loss (continued)

(b) Financial liabilities measured at FVPL include the following:

	As of 31 December	
	2024	2023
	RMB'000	RMB'000
Investment in		
– Derivative options on listed equity	**90,574**	–

The investment in derivative options on listed equity was mainly issued by reputable financial institutions in the PRC and are denominated in USD and HKD. Changes in fair value (realised and unrealised) of these financial liabilities had been recorded in "Other (losses)/gains – net" in the consolidated statements of comprehensive income.

(c) Amounts recognised in profit or loss

During the year, the following (losses)/gains were recognised in profit or loss:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Fair value (losses)/gains at FVPL recognised in other (losses)/gains – net (Note 9)		
– Listed equity	**(48,787)**	61,370
– Unlisted preference shares	**(6,127)**	37,948
– Funds	**12,752**	30,273
– Others	**718**	1,026
Total	**(41,444)**	130,617

22. Term deposits

	As of 31 December	
	2024	2023
	RMB'000	RMB'000
Non-current		
– RMB	**345,000**	25,000
Current		
– USD	**71,884**	198,316
– RMB	**130,000**	–
	546,884	223,316

The effective interest rate for the term deposit of the Group with initial term over 3 months for the year ended 31 December 2024 and 2023 range from 1.75% to 4.67% and 3.20% to 5.80%. Term deposits with initial term over 3 months were neither past due nor impaired. The directors of the Group considered that the carrying amount of the term deposits with initial term over 3 months approximated their fair value as of 31 December 2024.

23. Other receivables, prepayments, deposits and other assets

	As of 31 December	
	2024	2023
	RMB'000	RMB'000
Non-current:		
Loans to third parties	**325**	3,609
Amounts arising from disposal of a joint venture	**5,802**	5,802
Rental and other deposits	**3,359**	5,901
Others	**3,649**	873
	13,135	16,185
Less: Loss allowance (i)	**(5,859)**	(5,919)
	7,276	10,266
Current:		
Financial Assets		
Loans to related parties	**90,117**	100,730
Loans to third parties	**42,636**	36,260
Interest receivable	**13,109**	15,452
Other deposits	**38,488**	21,523
Others	**17,712**	21,873
	202,062	195,838
Prepayments for promotion and advertising	**50,255**	63,523
Prepayments to suppliers	**148,389**	200,264
Deductible input VAT	**165,113**	161,686
Prepaid income tax	**26,736**	14,260
	390,493	439,733
Less: Loss allowance (i)	**(68,689)**	(68,291)
	523,866	567,280

(i) The Group applies the IFRS 9 general model to measure lifetime expected credit losses for financial assets at amortised cost. The management makes periodic collective assessments as well as individual assessment on the recoverability of financial assets at amortised cost based on historical settlement records and past experience. Note 3.1 sets out information about the impairment of financial assets at amortised cost and the Group's exposure to credit risk.

24. Trade receivables

	As of 31 December 2024 RMB'000	2023 RMB'000
Trade receivables (i)	**152,694**	59,277
Less: allowance for impairment of trade receivables (iii)	**(4,580)**	(2,332)
	148,114	56,945

(i) Majority of the Group's debtors are granted with credit periods ranged from 1 to 3 months. An aging analysis of trade receivables based on invoice date is as follows:

	As of 31 December 2024 RMB'000	2023 RMB'000
Trade receivables		
– Up to 3 months	**143,716**	56,950
– 3 to 6 months	**6,325**	879
– 6 months to 1 year	**1,125**	93
– Over 1 year	**1,528**	1,355
	152,694	59,277

As of 31 December 2024 and 2023, the carrying amounts of trade receivables are primarily denominated in RMB and approximate their fair values at each of the reporting dates.

(ii) Classification as trade receivables

Trade receivables are amounts due from online payment platforms, virtual currency agents and content distribution partners performed in the ordinary course of business. If collection of trade receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group's impairment policies and the calculation of the loss allowance are provided in Note 3.1.

(iii) Impairment and risk exposure

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The loss allowance as of 31 December 2024 increased by RMB2,248,000 for trade receivables. Note 3.1(b) provides for details about the calculation of the allowance.

25. Cash and cash equivalents

(a) Cash and cash equivalents

	As of 31 December	
	2024	2023
	RMB'000	RMB'000
Cash and cash equivalents held at banks and at third party payment platforms	**2,195,694**	2,362,290

As of 31 December 2024 and 2023, the cash and cash equivalents balances were denominated in the following currencies:

	As of 31 December	
	2024	2023
	RMB'000	RMB'000
RMB	**1,524,962**	1,865,594
USD	**483,033**	461,426
HKD	**181,971**	26,386
SGD	**4,305**	8,223
Vietnamese Dong	**844**	143
Thailand Baht	**574**	518
Indonesia Rupiah	**5**	–
	2,195,694	2,362,290

The conversion of RMB denominated balances into foreign currencies and the remittance of such foreign currencies denominated bank balances and cash out of the PRC are subject to relevant rules and regulations of foreign exchange control promulgated by the PRC government.

(b) Restricted cash

As of 31 December 2024, restricted cash balance amounted to approximately RMB319,605,000 (31 December 2023: approximately RMB58,391,000), of which RMB286,095,000 were for security deposits, and the remainder comprises frozen cash and other restricted items. Within the total restricted cash balance, approximately RMB28,446,000 (31 December 2023: approximately RMB34,495,000) was frozen by the local authorities in connection with the investigations disclosed in Note 38 "Contingencies".

26. Share capital

Authorized ordinary shares:

	Number of ordinary shares	Nominal value of ordinary shares USD
Ordinary shares of USD0.001 each on 31 December 2024 and 2023	50,000,000,000	50,000,000

Issued and fully paid ordinary shares:

	Number of ordinary shares	Nominal value of ordinary shares USD	Equivalent nominal value of ordinary shares RMB'000
Ordinary shares as of 31 December 2022	1,938,305,000	1,938,305	12,803
Cancellation of shares (i)	–	–	–
At of 31 December 2023	**1,938,305,000**	**1,938,305**	**12,803**
Cancellation of shares (ii)	**(863,000)**	**(863)**	**(6)**
As of 31 December 2024	**1,937,442,000**	**1,937,442**	**12,797**

(i) During the year ended 31 December 2023, a total of 15,586,000 shares were repurchased by the trustee of the restricted share unit scheme on the Stock Exchange at an aggregate consideration of RMB11,630,000. No repurchased shares have been cancelled as of 31 December 2023.

(ii) During the year ended 31 December 2024, no shares were repurchased on the Stock Exchange. Repurchased shares of 863,000 have been cancelled as of 31 December 2024.

27. Other reserves

	Share premium RMB'000	Treasury shares RMB'000	Capital reserve RMB'000	Share-based payment RMB'000	Transactions with non-controlling interests RMB'000	Currency translation differences RMB'000	Total RMB'000
As of 31 December 2022	3,654,134	26,758	166,746	58,938	(3,407)	92,905	3,996,074
Shares repurchased (Note 26 (i))	(11,517)	(113)	–	–	–	–	(11,630)
Share-based payment expense (Note 28)	–	–	–	25,416	–	–	25,416
Exercise of restricted share units	2,617	15,158	–	(17,775)	–	–	–
Acquisition of non-controlling interests in a subsidiary	–	–	–	–	859	–	859
Currency translation differences	–	–	–	–	–	11,307	11,307
As of 31 December 2023	3,645,234	41,803	166,746	66,579	(2,548)	104,212	4,022,026
As of 31 December 2023	**3,645,234**	**41,803**	**166,746**	**66,579**	**(2,548)**	**104,212**	**4,022,026**
Cancellation of shares (Note 26 (ii))	**–**	**6**	**–**	**–**	**–**	**–**	**6**
Share-based payment expense (Note 28)	**–**	**–**	**–**	**17,751**	**–**	**–**	**17,751**
Exercise of restricted share units	**45**	**17,073**	**–**	**(17,118)**	**–**	**–**	**–**
Currency translation differences	**–**	**–**	**–**	**–**	**–**	**10,646**	**10,646**
Acquisition of non-controlling interests in subsidiaries	**–**	**–**	**–**	**–**	**(3,949)**	**–**	**(3,949)**
Dividends paid to owners of the Company (Note 34)	**(72,885)**	**–**	**–**	**–**	**–**	**–**	**(72,885)**
As of 31 December 2024	**3,572,394**	**58,882**	**166,746**	**67,212**	**(6,497)**	**114,858**	**3,973,595**

28. Share-based payments

(a) Employee option plan

The establishment of the Group Share Option Scheme was approved by shareholders at the 2021 annual general meeting. The Board is of the view that the grant of the Share Options provides the Company with more flexibility to motivate the eligible participants, attract and retain or otherwise maintain ongoing business relationship with the eligible participants whose contributions are or will be expected to be beneficial to the Group.

Options are granted under the plan for no consideration and carry no dividend or voting rights. Options vest when length of service are met.

The exercise price of options is HKD3.90 per share.

Set out below are summaries of options granted under the plan:

	2024 Average exercise price per share option	**2024** Number of options	2023 Average exercise price per share option	2023 Number of options
As of 1 January	**HKD3.90**	**60,000,000**	HKD3.90	60,000,000
Granted during the year	**–**	**–**	–	–
Exercised during the year	**–**	**–**	–	–
Forfeited during the year	**–**	**–**	–	–
As of 31 December	**HKD3.90**	**60,000,000**	HKD3.90	60,000,000
Vested and exercisable at 31 December	**HKD3.90**	**45,000,000**	HKD3.90	30,000,000

No options expired during the periods covered by the above tables.

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant Date	Expiry date	Exercise price	**Share options 31 December 2024**	Share options 31 December 2023
28 May 2021	11 July 2028	HKD3.90	**10,000,000**	10,000,000
29 June 2021	11 July 2028	HKD3.90	**50,000,000**	50,000,000
Total			**60,000,000**	60,000,000

28. Share-based payments (continued)

(a) Employee option plan (continued)

(i) Fair value of options granted

The weighted fair value at grant date of options granted during the year ended 31 December 2021 was HKD0.97 per option. The fair value at grant date is independently determined using the Binomial option pricing model.

(b) Restricted share units ("RSUs")

Pursuant to a resolution passed by the Board of Directors of the Company on 18 November 2018, the Company set up a restricted share unit scheme ("RSU Scheme") with the objective to incentivize employees for their contribution to the Group, to attract, motivate and retain skilled and experienced personnel to strive for the future development and expansion of the Group by providing them with the opportunity to own equity interests in the Company.

(i) Grant of the RSUs in 2024

On 2 April 2024, 14,108,750 RSUs under the RSU Scheme were granted to certain employees of the Group. The RSUs will be equity settled if service conditions are satisfied.

(ii) Shares held for RSU Scheme

Pursuant to a resolution passed by the Board of Directors of the Company on 18 November 2018, the Company entered into a trust deed (the "Trust Deed") with Computershare Hong Kong Trustees Limited (the "RSU Trustee") to assist with the administration of the RSU Scheme. For the years ended 31 December 2024 and 2023, the Group repurchased nil and 15,586,000 ordinary shares at the cost of approximately nil and RMB12,724,000. The RSU Trustee held these shares for the benefit of eligible participants pursuant to the RSU Scheme and the Trust Deed.

(iii) Fair value of RSUs

The fair value of RSUs granted on 18 November 2018 was assessed to approximate to the market price of the grant date in the amount of HKD2.19 each (equivalent to RMB53,288,000 in total).

The fair value of RSUs granted on 3 June 2019 was assessed to approximate to the market price of the grant date at the amount of HKD1.64 each (equivalent to RMB5,759,000 in total).

The fair value of RSUs granted on 22 January 2020 was assessed to approximate to the market price of the grant date at the amount of HKD1.37 each (equivalent to RMB3,041,000 in total).

The fair value of RSUs granted on 17 September 2020 was assessed to approximate to the market price of the grant date at the amount of HKD1.17 each (equivalent to RMB18,615,000 in total).

The fair value of RSUs granted on 29 April 2021 was assessed to approximate to the market price of the grant date at the amount of HKD2.60 each (equivalent to RMB24,238,000 in total).

The fair value of RSUs granted on 10 July 2021 was assessed to approximate to the market price of the grant date at the amount of HKD1.94 each (equivalent to RMB437,000 in total).

The fair value of RSUs granted on 1 January 2022 was assessed to approximate to the market price of the grant date at the amount of HKD1.68 each (equivalent to RMB28,641,000 in total).

28. Share-based payments (continued)

(b) Restricted share units ("RSUs") (continued)

(iii) Fair value of RSUs (continued)

The fair value of RSUs granted on 28 August 2023 was assessed to approximate to the market price of the grant date at the amount of HKD0.87 each (equivalent to RMB15,410,000 in total).

The fair value of RSUs granted on 2 April 2024 was assessed to approximate to the market price of the grant date at the amount of HKD0.85 each (equivalent to RMB10,874,000 in total).

A summary of RSUs activities for the years ended 31 December 2024 and 2023 is presented below:

Restricted share units	Number of shares	
	2024	2023
As of 1 January	**34,199,880**	29,740,368
Granted during the year	**14,108,750**	19,336,264
Vested during the year	**(14,810,298)**	(12,310,919)
Forfeited during the year	**(2,062,595)**	(2,565,833)
As of 31 December	**31,435,737**	34,199,880

(c) Expenses arising from share-based payment transactions

Share-based compensation was recognised in costs and expenses for the years ended 31 December 2024 and 2023 are as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Administrative expenses	**11,923**	16,443
Research and development expenses	**4,780**	6,439
Cost of sales	**824**	2,260
Selling and marketing expenses	**224**	274
	17,751	25,416

29. Trade and notes payables

	As of 31 December	
	2024	2023
	RMB'000	RMB'000
Trade payables	**459,269**	508,366
Notes payables	**286,095**	–
	745,364	508,366

As of 31 December 2024, the ageing analysis of the trade payables (including amounts due to related parties of trading in nature) based on invoice date was as follows:

	As of 31 December	
	2024	2023
	RMB'000	RMB'000
– Up to 3 months	**310,103**	269,811
– 3 to 6 months	**17,538**	89,486
– 6 months to 1 year	**11,169**	9,693
– Over 1 year	**120,459**	139,376
	459,269	508,366

Trade payables are unsecured and are usually paid within 30 days of recognition.

The carrying amounts of trade and notes payables are denominated in RMB. The carrying amounts of trade and notes payables are considered to be the same as their fair values, due to their short-term nature.

30. Other payables and accruals

	As of 31 December	
	2024	2023
	RMB’000	RMB’000
Current:		
Financial liabilities		
– Deposits from suppliers	**2,597**	3,346
– Amounts due to related parties (Note 36)	**8,976**	10,742
– Others	**17,559**	20,751
	29,132	34,839
Salaries and welfare payables	**77,608**	90,054
Other taxes payable	**6,467**	37,582
	113,207	162,475

31. Deferred income tax

Deferred income taxes are calculated in full on temporary differences under the liability method using the tax rates which are expected to apply at the time of reversal of the temporary differences.

	As of 31 December	
	2024	2023
	RMB'000	RMB'000
Deferred tax assets:		
– to be recovered after more than 12 months	**101,850**	66,610
– to be recovered within 12 months	**2,400**	2,817
	104,250	69,427
Deferred tax liabilities:		
– to be recovered after more than 12 months	**(29,803)**	(32,332)
– to be recovered within 12 months	**(5,101)**	(7,303)
	(34,904)	(39,635)
Set-off of deferred tax assets pursuant to set-off provisions	**(4,711)**	(3,629)
Net deferred tax assets	**99,539**	65,798
Net deferred tax liabilities	**(30,193)**	(36,006)

31. Deferred income tax (continued)

The movements in deferred income tax assets during the year are as follows:

	Lease liabilities RMB'000	Financial assets at FVPL RMB'000	Other accrued expenses RMB'000	Legal claim provision RMB'000	Total RMB'000
As of 1 January 2023	4,593	19,654	47,183	15	71,445
(Charged)/credited to profit or loss	(729)	(1,976)	350	346	(2,009)
Disposal of subsidiary	–	–	(9)	–	(9)
As of 31 December 2023	3,864	17,678	47,524	361	69,427
As of 1 January 2024	**3,864**	**17,678**	**47,524**	**361**	**69,427**
Credited/(charged) to profit or loss	**1,048**	**(1,194)**	**34,871**	**98**	**34,823**
As of 31 December 2024	**4,912**	**16,484**	**82,395**	**459**	**104,250**

Deferred income tax assets are recognised for deductible temporary differences to the extent that realisation of the related tax benefits through the future taxable profits is probable.

The movements in deferred income tax liabilities during the year are as follows:

	Right-of-use assets RMB'000	Intangible assets acquired in business combination RMB'000	Financial assets at FVPL RMB'000	Other RMB'000	Total RMB'000
As of 1 January 2023	2,564	14,533	9,962	242	27,301
Business Combination	–	3,221	–	–	3,221
Charged/(credited) to profit or loss	2,177	(3,923)	10,943	(84)	9,113
As of 31 December 2023	4,741	13,831	20,905	158	39,635
As of 1 January 2024	**4,741**	**13,831**	**20,905**	**158**	**39,635**
Charged/(credited) to profit or loss	**290**	**(3,708)**	**(1,442)**	**129**	**(4,731)**
As of 31 December 2024	**5,031**	**10,123**	**19,463**	**287**	**34,904**

32. Contract liabilities

	As of 31 December	
	2024	2023
	RMB'000	RMB'000
Value added service	**64,757**	70,169
Entertainment content service	**5,522**	17,406
Others	**13,812**	5,466
	84,091	93,041

Contract liabilities derived from the sales of online virtual items and membership, which the related services had not been rendered as of 31 December 2024 and 2023. The users purchased virtual items and membership from the Group's operated platforms, and the contract liabilities were recognised on an aggregate basis by taking reference to the balance of virtual items that were not consumed and the membership fees that were not expired. Revenue is recognised when such virtual items are consumed on demand of users, and ratably over the membership period as services are rendered.

The following table shows how much of the revenue recognised in the current reporting period relates to carried forward contract liabilities:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Value added service	**13,916**	48,471
Entertainment content service	**17,406**	14,974
Others	**5,466**	34,842
	36,788	98,287

33. Provisions

	Legal claim RMB'000
As of 31 December 2022	100
Settled provision	(1,262)
Additional provision	3,570
As of 31 December 2023	2,408
As of 31 December 2023	**2,408**
Additional provision	**402**
As of 31 December 2024	**2,810**

34. Dividends

A final dividend in respect of the year ended 31 December 2023 of HKD0.0412 per share was proposed pursuant to a resolution passed by the board of directors of the Company on 26 March 2024 and was approved by the shareholders of the Company at the 2023 annual general meeting of the Company held on 13 June 2024. Such final dividend for the year ended 31 December 2023 amounted to approximately HKD79,858,000 (equivalent to approximately RMB72,885,000) in aggregate were paid on 16 July 2024.

The board of directors of the Company resolved not to declare any payment of annual dividend for the year ended 31 December 2024.

35. Cash flow information

(a) Cash generated from operations

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Profit before income tax	**248,289**	480,547
Adjustments for:		
– Depreciation of property, plant and equipment (Note 15)	**14,306**	11,183
– Amortisation of intangible assets (Note 18)	**134,155**	61,498
– Depreciation of right-of-use assets (Note 16)	**24,566**	23,540
– Impairment of investments in associates and joint ventures	**3,459**	–
– Credit loss allowance for trade and other receivable	**8,563**	12,623
– Loss on disposal of property, plant and equipment	**1,878**	–
– Share-based compensations (Note 28)	**17,751**	25,416
– Net foreign exchange loss (Note 9)	**1,065**	572
– Finance income – net (Note 11)	**(42,488)**	(35,478)
– Fair value loss/(gain) of financial instruments at fair value through profit or loss (Note 9)	**41,444**	(130,617)
– Fair value loss/(gain) of investment properties (Note 9)	**55,526**	(581)
– Share of loss/(profit) of investments accounted for using the equity method	**10,980**	(20,428)
– Loss on disposal of investment in associates	**32**	–
– Others	**14,346**	58
Changes in working capital:		
– Inventories	**(664)**	4,625
– Trade receivables	**(93,382)**	15,691
– Other receivables, prepayments, deposits and other assets	**61,787**	(72,705)
– Restricted cash	**(261,214)**	2,012
– Trade and notes payables	**240,801**	53,010
– Contract liabilities	**(12,187)**	(27,104)
– Provision for accrued liabilities	**402**	2,308
– Accruals and other payables	**(53,318)**	22,961
Cash generated from operations	**416,097**	429,131

35. Cash flows information (continued)

(b) Net debt reconciliation:

	Lease liabilities RMB'000
As of 1 January 2023	39,930
Cash flows	(20,453)
New Lease	5,729
Foreign exchange adjustments	6
Rental modification	(385)
Interest expenses	1,375
As of 31 December 2023	26,202
As of 1 January 2024	**26,202**
Cash flows	**(22,327)**
New Lease	**27,622**
Foreign exchange adjustments	**44**
Rental modification	**(2,721)**
Interest expenses	**902**
As of 31 December 2024	**29,722**

This non-cash transaction was resulted from the rental modification, increase of the lease liabilities and the interest payable for lease liabilities.

36. Related party transactions

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are under common control or joint control in the controlling shareholders' families. Members of key management and their close family members of the Group are also considered as related parties. Interest in subsidiaries and interests in associates and joint ventures are set out in Note 12 and Note 19, respectively.

In the opinion of the directors of the Group, the related party transactions were carried out in the normal course of the business and terms negotiated between the Group and the respective related parties.

Names of the major related parties	Nature of relationship
Mr. Feng Yousheng ("Mr. Feng")	Founder of the Group
Mr. Hou Guangling ("Mr. Hou")	Founder of the Group
Beijing Duomi Online Technology Co., Ltd. (北京多米在線科技股份有限公司) ("Duomi Online")	Significant influence over Beijing Meelive (Note)
Beijing Yingtianxia Network Technology Co., Ltd. (北京映天下網絡科技有限公司)	An associate of the Group
Hunan Inke Property	An associate of the Group
Beijing Laoyou Duozhi	An associate of the Group
Changsha Zhuohua Senior High School (長沙卓華高級中學有限公司)	An associate of the Group
Shenzhen Qianhai Aisi Information Consulting Co., Ltd. (深圳前海愛思信息諮詢有限公司) ("Shenzhen Qianhai Aisi")	Inke Investment Holding Limited has significant influence over Shenzhen Qianhai Aisi
Meiguang	An associate of the Group
Changsha Yuhua	An associate of the Group

Note: Duomi Online has significant influence over Beijing Meelive as a shareholder with 14.59% of shares and occupied a seat in board of directors.

36. Related party transactions (continued)

The following transactions were carried out with related parties:

(a) Transactions with other related parties

		Year ended 31 December 2024 RMB'000	2023 RMB'000
(i)	Sales of services		
	Associates of the Group	**26,863**	10,872
	Other related parties of the Group	**1,120**	6,286
		27,983	17,158
(ii)	Purchases of goods and services		
	Associates of the Group	**12,988**	11,204
	Other related parties of the Group	**–**	292
		12,988	11,496

36. Related party transactions (continued)

(b) Outstanding balances arising from sales/purchases of goods and services

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

		As of 31 December	
		2024	2023
		RMB'000	RMB'000
(i)	Trade receivables from related parties		
	Associates of the Group	**4,812**	1,120
(ii)	Other receivables from related parties		
	Associates of the Group	**86,823**	97,048
	Other related parties of the Group	**11,373**	11,373
	Less: loss allowance (Note 3.1(b)(ii))	**(43,115)**	(43,203)
		55,081	65,218
(iii)	Trade payables due to related parties		
	Associates of the Group	**2,116**	1,434
	Other related parties of the Group	**157**	157
		2,273	1,591
(iv)	Other payables due to related parties		
	Associates of the Group	**8,961**	10,727
	Other related parties of the Group	**15**	15
		8,976	10,742

36. Related party transactions (continued)

(c) Loans to/from related parties

	Year ended 31 December 2024 RMB'000	2023 RMB'000
Loans to related parties		
At the beginning of the year	**107,048**	91,801
Loans advanced	**10,626**	41,318
Loan repayments received	**(15,119)**	(26,000)
Loan converted to equity investment	**(144)**	(1,060)
Interest charged	**4,199**	2,540
Interest received	**(3,810)**	(1,551)
Gross amount at the end of the year	**102,800**	107,048
Loss allowance	**(47,719)**	(41,830)
At the end of the year	**55,081**	65,218
Loans from related parties		
At the beginning of the year	**9,311**	9,076
Loans advanced	**105**	275
Loan repayments made	**–**	(40)
Interest exempted	**(845)**	–
At the end of the year	**8,571**	9,311

(d) Key management personnel compensations

	Year ended 31 December 2024 RMB'000	2023 RMB'000
Short-term employee benefits	**3,637**	5,361
Share-based payments	**2,255**	2,012
	5,892	7,373

37. Benefits and interests of directors

(a) Directors' emoluments

The remuneration of every director and the chief executive officer for the years ended 31 December 2024 and 2023 were set out below:

For the year ended 31 December 2024	Note	Fees RMB'000	Salaries RMB'000	Discretionary bonuses RMB'000	Pension scheme and other security benefits RMB'000	Total RMB'000
Executive directors						
Mr. Feng		–	1,028	1,980	160	3,168
Mr. Hou		–	1,028	2,228	143	3,399
		–	2,056	4,208	303	6,567

For the year ended 31 December 2024		Fees RMB'000	Salaries RMB'000	Discretionary bonuses RMB'000	Pension scheme and other security benefits RMB'000	Total RMB'000
Non-executive directors						
Mr. Liu Xiaosong		330	–	–	–	330
Mr. David Cui		480	–	–	–	480
Mr. Chen Yong	(i)	110	–	–	–	110
Ms. Zheng Congnan	(i)	12	–	–	–	12
Mr. Du Yongbo	(i)	302	–	–	–	302
Dr. Li Hui	(i)	302	–	–	–	302
		1,536	–	–	–	1,536

37. Benefits and interests of directors (continued)

(a) Directors' emoluments (continued)

For the year ended 31 December 2023	Fees RMB'000	Salaries RMB'000	Discretionary bonuses RMB'000	Pension scheme and other security benefits RMB'000	Total RMB'000
Executive directors					
Mr. Feng	–	1,028	2,178	152	3,358
Mr. Hou	–	1,028	2,450	152	3,630
	–	2,056	4,628	304	6,988

For the year ended 31 December 2023		Fees RMB'000	Salaries RMB'000	Discretionary bonuses RMB'000	Pension scheme and other security benefits RMB'000	Total RMB'000
Non-executive directors						
Mr. Liu Xiaosong		330	–	–	–	330
Mr. David Cui		480	–	–	–	480
Mr. Du Yongbo	(i)	330	–	–	–	330
Dr. Li Hui	(i)	330	–	–	–	330
		1,470	–	–	–	1,470

(i) Mr. Chen Yong and Ms. Zheng Congnan were appointed as the director of the Company on 26 March 2024 and 29 November 2024, respectively.

Mr. Du Yongbo and Dr. Li Hui were appointed on 23 June 2018, and they were resigned on 29 November 2024.

(ii) No directors waived or agreed to waive any emoluments during the years of 2024 and 2023. No emoluments were paid to directors as an inducement to join or upon joining the Group or as compensation for loss of office during the years of 2024 and 2023.

37. Benefits and interests of directors (continued)

(b) Director's material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Company'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 during the years of 2024 and 2023.

(c) Director's retirement and termination benefits

No retirement or termination benefits have been paid to the Company's directors during the years of 2024 and 2023.

(d) Consideration provided to third parties for making available directors' services

No consideration provided to third parties for making available directors' services subsisted at the end of the year or at any time during the years of 2024 and 2023.

(e) Information about loans, quasi-loans and other dealings in favor of directors, controlled bodies corporate by and connected entities with such directors

No loans, quasi-loans or other dealings are entered into by the Company in favor of directors, controlled bodies corporate by and connected entities with such directors during the years of 2024 and 2023.

38. Contingencies and commitments

(a) In connection with investigation initiated by local regulatory authorities, the Group's certain bank balances of RMB28,446,000 were restricted as of 31 December 2024 (31 December 2023: approximately RMB34,495,000). The management of the Company taking into consideration of all available information and opinions received from its legal counsel, is of the view that the Group's business operations are in compliance with applicable rules and regulations in China. As of the date of this annual report, the Group has not received any subpoena to represent as a defendant in a lawsuit related to the aforesaid investigation. Therefore, the Group has considered opinions received from its legal counsel and determined it is more likely that no present obligation exists as a result of such investigation. Therefore, no provision was made as of 31 December 2024 (31 December 2023: Nil). However, as the investigation are still ongoing and related details not being accessible by the Group, the management of the Company is not able to predict the status or the results of the investigation at this stage and cannot make a reliable estimate of the amount of any possible obligation.

(b) As disclosed in the announcement of the Company dated 26 March 2024, the Board has approved an annual budget of USD100 million for the Group's purchase of cryptocurrencies. As of 31 December 2024, the unutilized budget amounted to USD76 million which was not contracted for. Save as disclosed above, as of the date of this annual report, the Group does not have any significant investment and capital assets plans.

39. Events occurring after the reporting period

Except as disclosed elsewhere in this report, there are no material subsequent events undertaken by the Group after 31 December 2024 and up to the date of this report.

40. Balance sheet and reserve movement of the Company

Balance sheet of the Company

	As of 31 December 2024 RMB'000	2023 RMB'000
ASSETS		
Current assets		
Other receivables, prepayments, deposits and other assets	**922,683**	867,710
Cash and cash equivalents	**370,035**	171,761
Financial assets at FVPL	**102,400**	231,627
Term deposits	**35,942**	35,414
Restricted cash	**29**	–
Total current assets	**1,431,089**	1,306,512
Non-current assets		
Investments in subsidiaries	**2,904,763**	2,896,796
Total non-current assets	**2,904,763**	2,896,796
Total assets	**4,335,852**	4,203,308
EQUITY		
Equity attributable to the shareholders of the Company		
Share capital	**12,797**	12,803
Other reserves	**3,932,055**	3,973,648
Accumulated deficit	**(720,478)**	(655,520)
Total equity	**3,224,374**	3,330,931
LIABILITIES		
Current liabilities		
Trade and notes payables	**100**	708
Financial liabilities at FVPL	**90,574**	–
Other payables and accruals	**1,020,804**	871,669
Total current liabilities	**1,111,478**	872,377
Total liabilities	**1,111,478**	872,377
Total equity and liabilities	**4,335,852**	4,203,308

The balance sheet of the Company was approved by the Board of Directors on 28 March 2025 and was signed on its behalf:

Feng Yousheng	**Hou Guangling**
Director	*Director*

40. Balance sheet and reserve movement of the Company (continued)

Reserve movement of the Company

	Share premium RMB'000	Treasury shares RMB'000	Capital reserve RMB'000	Share-based payment reserve RMB'000	Currency translation differences RMB'000	Total RMB'000
As of 31 December 2022	3,654,134	26,758	166,746	55,589	40,639	3,943,866
Shares repurchased	(11,517)	(113)	–	–	–	(11,630)
Share-based payment expenses	–	–	–	25,536	–	25,536
Exercise of restricted share units	2,617	15,158	–	(17,775)	–	–
Currency translation differences	–	–	–	–	15,876	15,876
As of 31 December 2023	3,645,234	41,803	166,746	63,350	56,515	3,973,648
As of 31 December 2023	**3,645,234**	**41,803**	**166,746**	**63,350**	**56,515**	**3,973,648**
Cancellation of shares	**–**	**6**	**–**	**–**	**–**	**6**
Share-based payment expenses	**–**	**–**	**–**	**17,751**	**–**	**17,751**
Exercise of restricted share units	**45**	**17,073**	**–**	**(17,118)**	**–**	**–**
Currency translation differences	**–**	**–**	**–**	**–**	**13,535**	**13,535**
Dividends paid to owners of the Company	**(72,885)**	**–**	**–**	**–**	**–**	**(72,885)**
As of 31 December 2024	**3,572,394**	**58,882**	**166,746**	**63,983**	**70,050**	**3,932,055**

41. Summary of other potentially material accounting policies

This note provides a list of other potentially material accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of the Company and its subsidiaries.

41.1 Principles of consolidation and equity accounting

(a) Subsidiaries

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

The acquisition method of accounting is used to account for business combinations by the Group.

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

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

Subsidiaries arising from Contractual Arrangements:

i) Inke Contractual Arrangements

On 31 March 2015, Beijing Meelive was established to carry out the Group's business in the PRC. Several domestic operating companies have been established or acquired by Beijing Meelive as its subsidiaries since 2015 and these operating companies together with Beijing Meelive are collectively defined as the "PRC Operational Entities".

41. Summary of other potentially material accounting policies (continued)

41.1 Principles of consolidation and equity accounting (continued)

(a) Subsidiaries (continued)

i) Inke Contractual Arrangements (continued)

On 14 February 2018, the wholly-owned subsidiary of the Company, Inke PRC, has entered into a series of contractual agreements with Beijing Meelive and its equity holders, which enable Inke PRC and the Group to:

- irrevocably exercise equity holders' voting rights of Beijing Meelive;
- exercise effective financial and operational control over of Beijing Meelive;
- receive substantially all of the economic interest returns generated by Beijing Meelive by way of technical and consulting services provided by Inke PRC;
- obtain an irrevocable and exclusive right to purchase all or part of the equity interests in Beijing Meelive from the respective equity holders at a minimum purchase price permitted under the PRC laws and regulations; and
- obtain a pledge over the entire equity interests of Beijing Meelive from its respective equity holders as collateral security for all of Beijing Meelive's payments due to Inke PRC and to secure performance of Beijing Meelive's obligation under the Contractual Agreements.

ii) Dating Contractual Arrangements

On 3 June 2020, Hunan Canchenyingchao Internet and Technology Co.,Ltd ("Dating OPCO" or 湖南燦宸映朝網絡科技有限公司) was established in the PRC. On 25 September 2020, the wholly-owned subsidiary of the Company, Hunan Yingchuangxingao Internet and Technology Co.,Ltd. ("Dating WOFE" or 湖南映創新高網絡科技有限公司), has entered into a series of contractual agreements similar to the Inke Contractual Agreements described in Note 41.1 (a)(i) with Dating OPCO and its equity holders to obtain economic benefits.

41. Summary of other potentially material accounting policies (continued)

41.1 Principles of consolidation and equity accounting (continued)

(a) Subsidiaries (continued)

iii) E-commerce Contractual Arrangements

On 3 June 2020, Hunan Lingxiaolansheng Internet and Technology Co., Ltd. ("E-commerce OPCO" or 湖南凌霄攬勝網絡科技有限公司) was established in the PRC. On 25 September 2020, the wholly-owned subsidiary of the Company, Hunan Lingxiao Internet and Technology Co., Ltd. ("E-commerce WOFE" or 湖南凌霄網絡科技有限公司), has entered into a series of contractual agreements similar to the Inke Contractual Agreements described in Note 41.1 (a)(i) with E-commerce OPCO and its equity holders to obtain economic benefits.

The Group does not have any equity interest in Beijing Meelive, Dating OPCO and E-commerce OPCO. As a result of the Contractual Agreements, the Group has rights to the variable returns from its involvement in Beijing Meelive, Dating OPCO and E-commerce OPCO and has the ability to affect those returns through its power over the Beijing Meelive, Dating OPCO and E-commerce OPCO, and is considered to control Beijing Meelive, Dating OPCO and E-commerce OPCO. Consequently, the Company regards Beijing Meelive, Dating OPCO and E-commerce OPCO as the indirect subsidiary of the Company under IFRS Accounting Standards. The Group has included the financial position and results of the Beijing Meelive, Dating OPCO and E-commerce OPCO in the consolidated financial statements during the years ended 31 December 2024 and 2023.

Nevertheless, the Contractual Arrangements may not be as effective as direct legal ownership in providing the Group with direct control over Beijing Meelive, Dating OPCO and E-commerce OPCO and uncertainties presented by the PRC legal system could impede the Group's beneficiary rights of the results, assets and liabilities of Beijing Meelive, Dating OPCO and E-commerce OPCO. The directors of the Company, based on the advice of its legal counsel, consider that the Contractual Arrangements are in compliance with the relevant PRC laws and regulations and are legally binding and enforceable.

(b) Associates

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

41. Summary of other potentially material accounting policies (continued)

41.1 Principles of consolidation and equity accounting (continued)

(c) Joint arrangements

Under IFRS 11 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The company has joint ventures as of 31 December 2024 and 2023.

Interests in joint ventures are accounted for using the equity method (see (d) below), after initially being recognised at cost in the consolidated balance sheet.

(d) Equity method

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

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

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

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 41.7.

41. Summary of other potentially material accounting policies (continued)

41.1 Principles of consolidation and equity accounting (continued)

(e) Changes in ownership interests

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

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

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

41.2 Business combinations

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

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

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

41. Summary of other potentially material accounting policies (continued)

41.2 Business combinations (continued)

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

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

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

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

41.3 Separate financial statements

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

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

41. Summary of other potentially material accounting policies (continued)

41.4 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of comprehensive income, within finance income – net. All other foreign exchange gains and losses are presented in the consolidated statement of comprehensive income on a net basis within other (losses)/gains – net.

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

41. Summary of other potentially material accounting policies (continued)

41.4 Foreign currency translation (continued)

(c) Group companies

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

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet

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

- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

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

41. Summary of other potentially material accounting policies (continued)

41.5 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 41.7).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other (losses)/gains – net in the consolidated statement of comprehensive income.

41.6 Intangible assets

(a) Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised, but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

(b) Software, user base, trademark, and other intangible assets

Separately acquired Software, user base, trademark, and other intangible assets are shown at historical cost. Software, user base, trademark, and other intangible assets acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment loss.

41. Summary of other potentially material accounting policies (continued)

41.6 Intangible assets (continued)

(c) Copyright

Copyrights mainly include video content. They are initially recognised and measured at cost. Copyrights are amortised over their estimated useful lives (generally within one year) using the straight-line method which reflects the estimated consumption pattern.

41.7 Impairment of non-financial assets

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

41.8 Investments and other financial assets

(a) Classification

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

- those to be measured subsequently at fair value either through other comprehensive income or through profit or loss, and
- those to be measured at amortised cost.

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

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

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

41. Summary of other potentially material accounting policies (continued)

41.8 Investments and other financial assets (continued)

(b) Recognition and derecognition

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

(c) Measurement

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

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

Debt instruments

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

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

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

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other (losses)/gains – net in the period in which it arises.

41. Summary of other potentially material accounting policies (continued)

41.8 Investments and other financial assets (continued)

(c) Measurement (continued)

Equity instruments

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

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

(d) Impairment

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

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime loss to be recognised from initial recognition of the receivables, see Note 24 for further details.

41.9 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet where the Company currently has a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

41. Summary of other potentially material accounting policies (continued)

41.10 Inventories

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

41.11 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, cash held in accounts managed by online payment platforms, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

41.12 Share capital and shares held for employee share scheme

Ordinary shares are classified as equity.

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

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

Shares held by the Company are disclosed as treasury shares and deducted from contributed equity.

41.13 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

41. Summary of other potentially material accounting policies (continued)

41.14 Current and deferred income tax

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

Current income tax

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

Deferred income tax

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

The deferred tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through sale.

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

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

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

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

41. Summary of other potentially material accounting policies (continued)

41.15 Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations, which is included in other payables and accruals in the consolidated balance sheet.

(b) Pension obligations

The Group has only defined contribution plan in which the Group pays fixed contributions to publicly administered pension insurance plans on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(c) Employee leave entitlements

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

41.16 Share-based compensation benefits

Share-based compensation benefits are provided to employees in the form of share option ("option") and restricted share unit ("RSU") of the Company. The fair value of the services received in exchange for the grant of the option and RSU is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted and the shares as at the date of grant. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied, and credited to equity.

At the end of each reporting period, the Group revises its estimates of the number of options and RSUs that are expected to ultimately vest. It recognised the impact of the revision of original estimates, if any, in the consolidated statement of comprehensive income with a corresponding adjustment to equity.

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

41. Summary of other potentially material accounting policies (continued)

41.17 Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating loss.

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

41.18 Leases

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

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

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

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

41. Summary of other potentially material accounting policies (continued)

41.18 Leases (continued)

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

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

The scope of the lease decreases if the lease is modified to terminate the right of use of one or more underlying assets or to shorten the contractual lease term. For a modification that decreases the scope of the lease the Group decreases the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease and recognises gain or loss relating to the partial or full termination in the consolidation statement of comprehensive income within other (losses)/ gains – net.

41.19 Government grants

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

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

41.20 Interest income

Interest income from financial assets at FVPL is included in the net fair value gains/(losses) on these assets, see Note 9 above.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes, see Note 11 above.

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

41.21 Dividends distribution

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.